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22 March 1983

WEST EUROPE REPORT

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CONTENTS

THEATER FORCES

FEDERAL REPUBLIC OF GERMANY

- Government Criticized for Concealing Missile Sites
(DER SPIEGEL, 7 Feb 83) 1

FRANCE

- General Comments on Ability To Evaluate Enemy Threat
(Jacques Julien de Zelicourt; DEFENSE, Dec 82) 6
- Role of Naval Fleet in Protecting Nuclear Submarines
(Christian Mueller; NEUE ZUERCHER ZEITUNG, 17 Feb 83) ... 9

NETHERLANDS

- CDA Seen Showing Less Support for INF Siting
(NEUE ZUERCHER ZEITUNG, 11 Feb 83) 13

TERRORISM

PORTUGAL

- Weapons Found Floating in Tagus River
(A TARDE, 4 Feb 83) 16

SPAIN

- Basque Leader Wants HB Truce for Peace Talks
(EL PAIS, 9 Feb 83) 18
- Call To Lay Down Arms
Proposal Refused, by Tonia Etxarri
- Herri Batasuna Reviled as Champion of ETA
(Editorial; YA, 17 Feb 83) 22

ENERGY ECONOMICS

NETHERLANDS

- Government Concerned Over Natural Gas Competition From USSR
(Matti Klemola; HELSINGIN SANOMAT, 7 Feb 83) 24

NORWAY

- Report on Roles of State, Private Oil Firms Issued
(Morten Malmo; AFTENPOSTEN, 23 Feb 83) 28
- Daily Approves Recommendations on Statoil Role
(Editorial; AFTENPOSTEN, 23 Feb 83) 30
- Field Studies Begin on Icing Problems With Arctic Drilling
(Rolf L. Larsen; AFTENPOSTEN, 24 Feb 83) 32

TURKEY

- Soviet, Iranian Overtures for Natural Gas Pipeline
(MILLIYET, 3 Feb 83) 35
- World Bank Credit for Thracian Natural Gas
(Nilufer Yalcin; MILLIYET, 16 Feb 83) 37

ECONOMIC

BELGIUM

- Labor Union's Vanden Broucke on Strategy, Goals
(Andre Vanden Broucke Interview; KNACK, 19 Jan 83) ... 38

DENMARK

- Benned Hansen Named New Chairman of Employers' Association
(Ole Schmidt Pedersen; BERLINGSKE TIDENDE, 16 Feb 83) 44
- Foot-and-Mouth Disease Causing Export Losses to Pig Farmers
(BERLINGSKE TIDENDE, 6 Feb 83) 46

FINLAND

- Tampella Director Leo Vatanen Discusses Problems
(Jussi Jalkanen; HELSINGIN SANOMAT, 8 Feb 83) 48
- Economy Moving in Opposite Direction From World Trends
(Antti Blafield; HELSINGIN SANOMAT, 8 Feb 83) 51
- Briefs
Use of Robotics Increasing 57

NORWAY

Government Presents Jobs Creation Plan (Terje Svabo; AFTENPOSTEN, 12 Feb 83)	58
Government Report Warns of Problems in Non-Oil Sectors (Editorial; AFTENPOSTEN, 12 Feb 83)	61

SPAIN

PCE Again Blasts Government Economic Policy (EL PAIS, 18 Feb 83)	63
Disparate Business Views on Madrid Economic Policy (Joaquin Estafania Moreira; EL PAIS, 28 Jan 83)	65
Government Emphasis on Curbing Public Debt (EL PAIS, 28 Jan 83)	67
Generalitat To Bail Out Reus Cooperative (EL PAIS, 18 Feb 83)	68
Steel Export Below Quota for 1982; Remedy Sought (EL PAIS, 26 Feb 83)	71
Madrid To Propose Free Zone Status for Ceuta, Melilla, Canaries (EL PAIS, 23 Feb 83)	73
Ceuta and Melilla Concerns Outlined Moran Explains Government's Demands, by Andres Ortega	

SWEDEN

Unemployment Remains High, But Rate Improved Over 1982 (Bo A. Ericsson; DAGENS NYHETER, 12 Feb 83)	76
Industry Encouraged by Increase in Orders (Kerstin Sedvallson; DAGENS NYHETER, 15 Feb 83)	78
Harry Schein, New Investment Bank Director, Profiled (Hakan Bergstrom; SVENSKA DAGBLADET, 31 Jan 83)	80
Briefs Exports Continue Rise	84

POLITICAL

AUSTRIA

Journal Views State of Relations With U.S. (PROFIL, 31 Jan 83)	85
---	----

Blecha on Election Prospects of SPOe (Karl Blecha Interview; ARBEITER-ZEITUNG, 5 Feb 83)	90
DENMARK	
Leading Social Democrats Say Jorgensen Poor Opposition Chief (Solveig Rodsgaard; BERLINGSKE TIDENDE, 19 Feb 83)	93
Christian People's Party Folketing Chief Hints Break With Schluter (INFORMATION, 9 Feb 83)	98
DENMARK/GREENLAND	
'High-Level Source in EC Commission': Concessions Will Be Given (GRONLANDSPOSTEN, 2 Feb 83)	99
NORWAY	
Christian Party Chairman, Storting Chief Exchange Posts (Thorleif Andreassen; AFTENPOSTEN, 17 Feb 83)	101
Poll Shows Four of Ten Voters Satisfied With Willoch (AFTENPOSTEN, 12 Feb 83)	102
Christian Party MP: Little Likelihood of Coalition Seen (Terje Svabo; AFTENPOSTEN, 17 Feb 83)	104
AKP (M-L) Chairman Steigan Views Maoist Party at Tenth Year (Per Danielsen; AFTENPOSTEN, 17 Feb 83)	106
PORTUGAL	
Lisbon To Host International Anti-Apartheid Conference (Various sources, 10 Feb 83)	108
Conference Hailed Financial Assistance Detailed PS Rejects Involvement	
SPAIN	
PCE Seeking To Recoup Dissidents, Muster Votes (TIEMPO, 7-14 Feb 83)	111
PSC, PSUC, ERC To Consider Leftist Strategy (LA VANGUARDIA, 2 Feb 83)	114
Popular Group Spokesman on Rapid Failure of Government Policy (Julio Fernandez; YA, 15 Feb 83)	116
PSOE-PSC Qualified Electoral Cooperation; PSC-PSUC To Check Rightists (LA VANGUARDIA, 15 Feb 82)	120

Disparate Views on Strike Turnout by Top Government Employees (EL PAIS, 16 Feb 83)	122
Basque Leader on Prospects for Regional Peace (Carlos Garaikoetxea Interview; EL PAIS, 20 Feb 83)	125
Basque Political Forces Demand Navarre (EL ALCAZAR, 1 Feb 83)	131
Extremadura for Provincial Parity in Autonomy System (Julian Real; EL PAIS, 16 Feb 83)	132
Fraga-Lavilla Meeting Without Real Results (M. L. Garcia-Franco; YA, 2 Feb 83)	134
SWEDEN	
Conservative Party Opposes Palme Nuclear Disarmament Moves (Lars Christiansson; SVENSKA DAGBLADET, 29 Jan 83)	136
Palme Seen Ready To Compromise With Opposition on Program (Sven Svensson; DAGENS NYHETER, 17 Feb 83)	138
Palme's Wooing of Middle Parties Seen Part of Election Tactics (Sven Svensson; DAGENS NYHETER, 12 Feb 83)	141
MILITARY	
DENMARK	
Briefs	
Third F-16 Squadron Approved	145
F-16 Parts, Equipment Funds Sought	145
DENMARK/GREENLAND	
Danish Foreign Minister Denies Changes in Island NATO Role (BERLINGSKE TIDENDE, 11 Feb 83)	146
FINLAND	
Briefs	
More Firing Ranges for Army	147
Hawk Aircraft Arrive in Karelian Squadron	147
FRANCE	
DGA Representatives Perform Quality Control for Weaponry (Benetreau; DEFENSE, Dec 82)	148

SPAIN

Companies Negotiate for McDonnell Douglas Contracts (Carlos Yarnoz; EL PAIS, 7 Feb 83)	153
Export Survey of Locally Made Munitions (LA VANGUARDIA, 11 Feb 83)	155
Barcelona Transit Port for Military Materiel (Jordi Bordas, E. Martin de Pozuelo; LA VANGUARDIA, 11 Feb 83)	158

OCEAN ISSUES

NORWAY

Institute Researchers: Norway Should Make Sea-Bottom Plan (Einar Hagvaag; DAGBLADET, 15 Feb 83)	161
International Law of Sea Conference Meets in Oslo in July (DAGBLADET, 15 Feb 83)	163

GENERAL

NORWAY

Polar Institute Director Discusses Svalbard Research Plans (Liv Hegna; AFTENPOSTEN, 21 Feb 83)	164
Overview of National Polar Research Activity Presented (A. Brekke, A. Egeland; AFTENPOSTEN, 24 Feb 83)	167

GOVERNMENT CRITICIZED FOR CONCEALING MISSILE SITES

Hamburg DER SPIEGEL in German 7 Feb 83 pp 104-107

[Text] The fact that the West German government refuses to reveal where nuclear missiles are located is unnecessary secretiveness.

For once Social Democrats and Free Democrats are, in a way, in agreement again, and Axel Springer's conservative DIE WELT also continues to applaud them. Thus, a strange alliance has been formed.

The trio in question is pressing the federal government to reveal what has been protected as a state secret up to now--that is, exactly where the Americans' new nuclear medium-range weapons are to be stationed on German soil if the disarmament negotiations in Geneva continue to be unsuccessful. According to the chairmen of SPD parliamentary groups on the federal and state levels, concealing the locations is foolish. "In view of the present capabilities of military reconnaissance," the mystery-mongering cannot be justified and, "because of the speculation and undermining of traditional values linked with it," good political reasons cannot be offered for the concealment.

At the same time, the FDP also demanded, in a resolution by its party congress in Freiburg, the "immediate publication" of the planned missile locations, and DIE WELT thought that the members of the opposition and their former coalition partners had "come to a sensible decision."

The closer the date of the planned missile deployment comes the more intensive the concentration of interest on this subject becomes. Work on the construction of launching ramps, ammunition dumps, maintenance buildings and command headquarters have already begun, wooded areas are being cleared, soil samples are being taken and firing trajectories are being measured. Anyone who has any doubt about this can just look around him and see all that, and then the mystery-mongering upon which the Kohl government insists will not make any sense. For the peacetime locations of the 108 Pershing-2 missiles, which can fly into the Soviet Union with their nuclear warheads, have been public knowledge for a long time, being entered, as they are, on a map of Germany of the Martin Marietta company--the producer of the Pershing missiles. The new models will go where the types that preceded them--the Pershing-1 missiles which only had a range of 750 kilometers--were located: in the vicinity of Heilbronn, to Neu-Ulm and to Mutlangen, near Schwaebisch Gmuend.

The openly distributed Pershing plan also shows the geographical location of two American and three German definitively surveyed ramps for nuclear "Quick Reaction Alert" (QRA), where missiles are kept in constant alert readiness. The U. S. Army's QRA installations are located in Kleingartach, near Heilbronn and in Boettingen and Inneringen on the Swabian Alb. The QRA billets of the Federal German Armed Forces belong to the missile squadrons in Landsberg am Lech and in Rhenish Geilenkirchen.¹

Also revealed for a considerable time now has been what is going on in the Eifel under a "cover designation" (as it was put in a cabinet decision of the Social-Liberal Center of last year)--namely, that 96 cruise missiles are to be placed there, near Bitburg and Pruem (see DER SPIEGEL No. 44, 1982).

It is certainly true that the interests of military strategy are not jeopardized by these revelations. The new weapons systems, even including those intended for the "Quick Reaction Alert," are not fixed at specific locations. In a critical situation, the mobile launching ramps would leave their planned stations and assume alternate firing positions. Well, there was no hesitation in London and Rome about revealing the British Greenham Common and Molesworth missile strong points and the Italian base near Comiso, in Sicily, officially. Alfred Mechtersheimer, the Starnberg peace research worker, says, in criticism, that Bonn "keeps things secret from its own population more than any other NATO government" and that they "are trying to hide the nuclear weapons from those whom they are supposed to protect."

It is glaringly clear that the members of the government in Bonn fear their external enemy less than their internal political adversaries. If the places where nuclear weapons are stored became known, crowd of marchers for peace might inundate the camps.

Their concern is justified. As on the occasion of the third anniversary of the double decision of NATO last December, the blockading of American installations has been announced again for Easter. The protests are not just directed against the new missiles, but also against the old nuclear weapons that have been located on West German territory for years under American control--nuclear munitions for short-range Lance missiles and antiaircraft Nike-Hercules missiles, nuclear mines, bombs for Starfighters and projectiles for M-110 howitzers.

With the approximately 6,000 nuclear warheads which are stationed in this country according to the estimates of experts, the FRG has the greatest concentration of nuclear weapons anywhere in the world. The biggest warhead, which can be fired with a Pershing 1A, has an explosive force of 400 kilotons, and that is 30 times the explosive force of the Hiroshima bomb.

Therefore, the national executive committee of the Greens published a map "against the nuclear threat" in March 1981 on which 117 locations of nuclear weapons and carrier systems appeared. At present, there are hardly any areas where peace cartographers do not publish local layouts of the weapon depots of the respective regions.

The bunkers can be located by anyone with average powers of observation. "We do not tell the people what they are," an expert of the American armed forces admitted to Congress, "but someone who did not understand what was going on there would really have to be stupid."

Spying out the installations also seems simple to the peace research worker Ulrich Albrecht of Berlin. "An expert's work is like the action of a passer-by who has imprinted the shape of a Rolls-Royce on his memory and cannot keep from recognizing such a vehicle now and then, if only by its fenders, as he passes through the streets."

Albrecht published a guide for searchers "trying to find their local nuclear weapon depots"² a year ago, and North Rhine Westfalian pacifists published a whole bundle of data on depots and barracks last fall in a "threat atlas."³

To enable "the population to make themselves competent," peace lover Mechtersheimer is now distributing further instructional material among the people. The "Information Bureau for Peace Politics" in Munich, of which he was a co-founder, is disseminating details about "storing and transporting nuclear weapons" which have hardly been known up to now, in a brochure.⁴

In that brochure, detailed information is provided on how a nuclear weapons depot of the U. S. Army (the technical designation is "site") differs from a conventional ammunition depot and how a convoy for the transportation of mobile missiles is armed. The code designations of the nuclear warheads and their respective destruction potentials, which are always a multiple of the Hiroshima bomb, are given there. Numerous quotations are given from internal guard regulations and instructions for bomber pilots regarding their use.

The most striking feature of every nuclear weapons depot is a huge transmission mast with two big reflector antennas ("troposcatter") which make radio communication possible for several hundred kilometers in the lowest layer of the atmosphere. The cover name for that communications system makes sense. It is "cemetery network."

The security precautions certainly are informative, too. Thus, anyone who wanders into the prohibited area by mistake or approaches it out of curiosity is warned of the "use of deadly weapons" by signs providing that message. Anyone who persists in trespassing can be fired at without further challenge.

The actual area of particular security (the "exclusion area") is enclosed by a double fence 2.45 meters high, with heavily armed soldiers patrolling between the two fences. There is a cleared strip at least 10 meters wide in front of the outer fence, and there are observation towers at all 4 corners of the area.

As soon as it becomes dark, the terrain is illuminated by floodlights. Electronic locking devices and television cameras guard the entrances. Highly sensitive sensors ("intrusion detection systems") react to noises, magnetism and underground shocks, so that no one can dig tunnels without being detected.

But in spite of guarding that seems so perfect, the depots are by no means as safe as they ought to be. At least the 59 nuclear weapons depots of NATO in the FRG, Italy, the Netherlands, Belgium, Great Britain, Greece and Turkey, as the CIA and the General Staff of the United States lamented again recently, are "poorly protected" and "vulnerable to attacks by terrorists and opponents of nuclear weapons."

To test the effectiveness of the protective measures, small Army units carried out mock attacks on various depots in secret exercises in recent months--successfully, in many cases.

The inspectors sometimes found holes in the protective fences or "cartridges in which there is no powder any longer, but sand." Sometimes the illumination, including the obligatory power unit for emergency current, failed, or the sensors that had to set off the alarm when somebody entered were lacking. According to the members of the military and the secret service, the guard towers do not even provide protection against small-arms fire in an emergency, and in the woods which are supposed to prevent people from seeing the depot, attackers can approach it stealthily without any trouble.

A little less than 10 years ago, a committee from the U. S. Senate on an inspection tour of Europe decided that the security precautions were "completely inadequate," and apparently there has not been much improvement since then. According to the present government report, every second NATO depot is still in need of better protection.

Up to the present, there has been a lack of better protection primarily because of the expense involved. Although only the Americans have control of the nuclear weapons, soldiers of the United States and the host country, too, are always jointly responsible for the security of the NATO depots. In another 49 depots which the United States maintains in Europe, the U. S. armed forces bear the responsibility alone.

Thus, "another nuclear fear" (FRANKFURTER ALLGEMEINE ZEITUNG) is making the rounds in the United States. "The fear that a nuclear weapon might possibly fall into the hands of extremists and that they could blackmail us with it," says Richard Wagner, a Pentagon consultant on nuclear matters, "prevents me from sleeping."

But for that reason the Office for Nuclear Defense, at present, is supporting 56 research projects on improving the control system for which it expended \$100 million last year. In the meanwhile, until more security is assured, the Pentagon recommends that "the necessary transportation of weapons not be stopped," since they are "especially attractive targets" for terrorists.

As a matter of fact, the 180 Pershing 1A missiles stationed in the FRG are constantly driven through the countryside for the sake of practice, for example. The citizens only take note of that when, as happened in Sechselberg, in Swabia, in February 1981, the projectile sometimes explodes

or when a semitrailer fitted with wretched tires and defective brakes overturns automobiles and scrapes houses, as happened in Waldprechtsweiler in Baden last November.

However, terrorists could also strike or antimilitarists could accompany the convoy along its way to find out where nuclear weapons are located--the missile transportation forces always have to return to their depots some time or other, perhaps with a group of demonstrators in tow.

However, the peace activists are equipped for that. The "Army Regulations" and "Field Manuals" that control military travel are available to anyone for \$2.50 plus 1 cent per photocopied page, as the "Interdenominational Peace Council" in The Hague learned, to its surprise, when it discovered that its "inside descriptions" are now being reprinted in German translation by the Information Bureau of Munich.

For the Dutch are "models of how to present nuclear armament in one's own country graphically and in detail." Indeed, the presentation in graphic detail goes too far for the FRANKFURTER RUNDSCHAU and the SUEDEDEUTSCHE ZEITUNG. The advertising boards of those two newspapers, which positively advocate publication of the missile locations in their editorial sections, refused to accept ads for the new Munich publication. Even if the material comes "from public sources" which "theoretically are available to anybody," the FRANKFURTER RUNDSCHAU based its refusal on the allegation that "the concentration of a large number of individual pieces of information, which is something an individual cannot do, means that one is dealing with an entirely different situation."

FOOTNOTES

1. The West German Armed Forces possess carrier systems for nuclear weapons. However, the nuclear warheads are under American control and can only be ignited by American officers attached to German Armed Forces units by order of the President of the United States.
2. Ulrich Albrecht: "Kuendigt den Nachruestungsbeschluss!" [Denounce the Re-armament Decision!], Fischer Taschenbuch Verlag [Fischer Pocket Book Publishing House], Frankfurt, 182 pages, 8.80 DM.
3. Burkhard Luber: "Bedrohungsatlas" [Threat Atlas], Jugend-Dienst-Verlag [Service-to-Youth Publishing House], Wuppertal, 141 pages, 12.80 DM.
4. "Lagerung und Transport von Atomwaffen" [Storing and Transporting Nuclear Weapons], Informationsbuero fuer Friedenspolitik [Information Bureau for Peace Politics], Munich, 104 pages, 7.50 DM.

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GENERAL COMMENTS ON ABILITY TO EVALUATE ENEMY THREAT

Paris DEFENSE in French Dec 82 pp 13-14

[Excerpts from article by General Jacques Julien de Zelicourt: "Quality and the Evaluation of Threat and the Expression of Military Need"]

[Excerpts] The French Response to the Present Challenge

The direction of "the threat" is clearly defined at present: it comes from the East, and the potential enemy is indeed constituted by the whole of the Warsaw Pact forces. In this initial area, the evaluation is clear, and therefore of high quality. But do we have today the means, the criteria, necessary for evaluating this threat clearly--that is, the volume of forces, their operational, technological and moral value, their modality of use in space and in time, and in particular, their strategic schemes, and also with the possibility of being informed about the moment of the unleashing of an attack? The appearance of nuclear weapons has made this evaluation very difficult by multiplying both the armaments and the combination of possible strategies--to the point that the estimations of this threat vary profoundly from one expert to another, from one country to another. Disinformation and the political temptation to "inflate" the threat, so as to oblige the different friendly countries to arm to the maximum, sometimes mean that the official estimates relating to it have little credibility.

Is such evaluation doomed, more or less purposely, to being vitiated by error, and are there no means, today, for giving an accurate idea of the adversary's strength and potential strategies?

The answer is /no/.

In the last several decades, the conventional means of investigation as used by the various intelligence services have been supplemented by highly useful electronic "eyes" and "ears."

Permanent observation of adversary territory by satellites with increasingly more highly developed resolving power, the progress and systematic use of listening posts and radar observation, the lessons learned from marginal conflicts as well as the capture of enemy materiel and the monitoring of nuclear experiments, missile tests and maneuvers at sea enable the Western countries as a whole to obtain a quantity of high-quality information.

Finally, the appearance, to to say the wide diffusion, of computerization for the processing all all these data make it possible to prepare precise and correct syntheses rapidly.

But this result can be achieved only within the framework of international co-operation to which the countries are not accustomed in the area of intelligence. At present, great progress has been made in this sector, but there are still too many "reserved areas" to be able, in France, to have all available information in hand at any given instant.

On the other hand, there is still no Western international body of a political-military character that is designed for doing jointly the syntheses that are necessary for updating the threat continually and in real time.

Finally, there is an area, the prime importance of which we have stressed, in which our judgment is still very subjective--that is, the evolution of the potential enemy's technological capacity.

Despite these reservations of a political and technological nature, the Western countries as a whole, but not France by itself, has become capable of taking up the challenge of the quality of evaluation of the threat. This quality is such that the working-out of appropriate strategies has become possible and permits coherent expression of the military needs.

In the process of expression of the need, three levels are to be considered that put the armed forces and another partner into relationship with one another. On the first level, there is the nation to whom the need is addressed; at the second level, there are the armed forces themselves, as regards their organization and their structures; and at the third level, that of concrete realization, the partner is the General Delegation for Armament.

The reflection done for more than 20 years has made possible a very broadly shared consensus about the concept of deterrence, the missions of the armed forces, their general organization and the means to be granted to them; it has found its concrete expression and support in the continuity of the political discourse.

This consensus does not, of course, have the value of an indisputable test of the appropriateness of the instrument that would be furnished by the lessons of engagement and combat; but, expressing the convergence of results of analyses made by very different schools of thought, it furnishes, beyond the comfort of thought, the intellectual proof--possible only in peacetime--of the correctness of the reasoning, and thereby, probably, of the quality of the expression of the need at this level.

Beyond this first level, passing in silence over the problems peculiar to structures, which the armed forces must face by themselves, special care must be given to expression of the equipment needs.

Nor is this a matter of ideas or concepts, which have all their own value, of course, but rather of practical achievements, with regard to which, taking the projections into the future into account, application of the principles of co-

herence and sufficiency run up against a good many difficulties. In fact, in order to express the need, it is advisable to take into account data which, as regards many of them, remain aleatory.

In effect, as regards both the balance to be sought among the various programs in planning, the technological breakthroughs that can make the threat evolve, the determination of "cost-effectiveness" ratios necessary for optimization of the resources or approximation of costs--cost of acquisition or total cost of ownership for the lifetime of the system in question--the domains of uncertainty remain vast and often ill-perceived. The expression of the need then lacks precision.

The armed forces alone cannot answer the questions that arise. It is through dialogue with the General Delegation for Armament and the use of modern methods of systems analysis and simulation, which call on the experience of the past years and are becoming increasingly reliable, that it should be sought to delimit the areas of uncertainty, followed by an attempt to reduce them.

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CSO: 3519/335

ROLE OF NAVAL FLEET IN PROTECTING NUCLEAR SUBMARINES

Zurich NEUE ZUERCHER ZEITUNG in German 17 Feb 83 p 5

/Article by Christian Mueller: "Between Brest and Papeete--Mission and Resources of France's "Classic Fleet"/

/Text/ Looking partly like a medieval dungeon housing the Man in the Iron Mask, partly like a republican house of culture, surrounded by ancient castle walls, the huge new-old seat of the commander-in-chief of the French Atlantic fleet in Brest is braving a Breton rainstorm. His huge body, handshake, white hair, and even his name make Vice Admiral Brac de la Perriere look exactly like something out of a naval history book. The CECLANT (Commander-in-Chief, Atlantic) here acts almost like an autonomous ruler, as a direct representative of the republic's head of government as the "maritime prefect" of the Second Region, extending from the Mont Saint Michel all the way to Spain. An escort officer with a Russian name, whose grandfather saw service at the court of the last czar, represents another aspect of that worldwide "royal navy," whose field of operations extends over 11 million square kilometers because of the widely scattered remains of France's overseas empire. How can this classic fleet, comprising 112 combat and 49 support units meaningfully show the French flag in this third largest "maritime domain" of the world?

Compatibility with the Alliance

The main mission of the fleet, and especially of the Atlantic squadron, is to secure operational safety for the nuclear missile submarines of the Strategic Ocean Force (FOST), which is based on the Ile Longue, facing Brest. For this task it requires large and small destroyers for anti-submarine and air defense, as well as naval patrol aircraft. For this purpose, the following units are normally stationed in Brest, apart from the helicopter carrier Jeanne d'Arc: three large modern anti-submarine guided missile destroyers (frigates ASM); eight smaller destroyers for submarine pursuit or anti-aircraft defense (corvettes or escorteurs); two amphibious vessels; one tanker and a flotilla of about 40 light units such as minelayers, speedboats and coast guard vessels. As maritime prefect, second region ("Premar Deux"), the vice admiral in Brest is primarily responsible for the security and support of the FOST, whose land facilities are guarded by the elite commandos of the marine infantry and the 41st Infantry Regiment of the army. Inasmuch

as the "Premar" is operationally responsible also for ocean and airspace surveillance as well as for commercial shipping and sea rescue services, he has in fact even in peacetime a full operational command and has therefore access to the use of the diesel submarine chaser flotilla in Lorient and the naval air forces in Landivisiau, Lanyec-Poulmic and Lann-Bihoué. Strictly speaking, he would assume the functions of CECLANT or commander-in-chief only by order of the government in a time of crisis. In that capacity he would then have command not only of "Premar One's" light flotilla in Cherbourg, but also of all the forces commanded by the naval commanders (COMPARS) in South Atlantic Zone 9 (Dakar) and in the Western Atlantic and Caribbean Zone 8 (Fort-de-France). As the potential CECLANT, he is in constant contact with the NATO commanders-in-chief SACLANT and CHINCHAN, as well as, on a bilateral basis, with the naval forces of the United States, Great Britain, Belgium, the Netherlands, Spain and Portugal.

It is not known just how the contacts or communications with the allied Atlantic command centers are consummated--except for two assurances given by Chief of Atlantic Operations Rear Admiral Duthoit: there is no allocation of tasks nor exchange of information about the nuclear submarines; but on the other hand the French fleet is maintaining its compatibility with the allies. The latter would describe this as "interoperability" in the widest sense of the word. The true situation is difficult to determine, despite frequent joint maneuvers, despite naval officers' fluency in English (as is the case in the air forces), and despite functional compatibility of electronic surveillance and data processing equipment. However, a British statement gives rise to a certain amount of optimism: "Whenever they participate in exercises, the French make an excellent impression. French materiel is certainly comparable qualitatively with the best produced by other countries."

Decreasing Numbers of Ships

In fulfilling its principal mission, the protection of FOST, France's classic fleet is not seriously threatened by current economic cutbacks. Present force resources are sufficient to provide area and convoy security for Brest and to ensure operational freedom down to an ocean depth of about 1,000 meters, even though the strength of anti-submarine destroyers (14) appears to approach the lower limit and lies considerably below that of the Royal Navy (50), which, with its 12 anti-aircraft guided missile units also has considerably more than the French fleet's seven. However, even considering this availability of resources, there is an urgent need for a new patrol aircraft. However, due to enforced economy measures, its procurement is threatened with delay. Additionally, the number of anti-submarine destroyers may drop from 14 to 11 instead of the originally planned 18: also, during the 1990s there may only be five or six anti-aircraft guided missile destroyers left instead of the planned nine, if during the next 5 years the defense budget were to be frozen at 3.895 percent of the GNP. Those are the somber official economy prospects of the chief of naval operations, who also fears an average decrease of 40 percent in mine clearing capacity and a temporary decrease of about one-third in logistic and amphibious units.

These prospects are somber because the fleet mission does not solely include the protection of nuclear submarines in the Atlantic. On the contrary, these numbers of ships are needed between Brest and Papeete, on the other end of the world, where ALPACI (Amiral Pacifique) is based. Apart from his Zone 7 and Subzone 72, there is also Subzone 71 of COMAR Numea, Zone 5 with Subzones 51 (COMAR Djibouti) and 52 (COMAR La Reunion), and especially the ALINDIEN, who is cruising in the Indian Ocean on board of one of the ships of this squadron and who can play an important role at the entrance to the Persian Gulf for the benefit of not only French, but also all other Western interests. However, the CECMED in Toulon is the opposite number to the Brest command. The "PREMAR III" is, in his operational command capacity, responsible for security in the western Mediterranean.

Difficult North-South Deterrent

With respect to the nuclear mission, normally more than 40 percent of the fleet activity is concentrated in the Atlantic, while the smallest part, less than 10 percent, occurs in the Pacific. The balance is split between the Mediterranean and the Indian Ocean with about 25 percent each; what is happening, similarly to what happened with the U.S. Sixth Fleet in 1981, a displacement toward the East from the Mediterranean, when 31 percent of the activity took place in the Indian Ocean and only 18 percent in the Mediterranean. That same year, average deployment on the high seas for combat vessels over 1,000 tons amounted to 106 days, for support units to 88 days. With increasing fuel costs, the activity level during the second half of the 1970s had dropped from 90 days to 86 days. The latter figure still serves as the official target figure, while in fact combat units should reach 100 deployment days and support units 90. The budget report emphasizes the U.S. Navy's lead of 20-30 days, but mentions approximate parity with the Royal Navy in this respect, and the French lead over the Italians and Soviets.

Providing nuclear deterrence, guarding accessways to the oceans, security in the Mediterranean and showing the flag all over the world--to be able to satisfy all those missions presupposes, in view of existing fleet resources, an almost routine peacetime operation. Since there is no separate coast guard service, the fleet has since 1980 also assumed further responsibility for the "public service" and for controlling the commercial shipping zone, which occupies about 20 percent of its activity. Should a crisis situation occur in any one of these sectors, the scarcity of resources would more readily manifest itself. CECMED commands the two showpieces of the classic fleet, the aircraft carriers "Clemenceau" and "Foch", one of which is always equipped with nuclear Super-Etendard aircraft while the other is always held in readiness for conventional "power projection" in case a need for intervention arises. This is the main portion of the North-South mission entrusted to the classic fleet. It is the most threatened by financial considerations, even though the Falklands lessons have emphasized the necessity for constructing two nuclear-powered catapult carriers as replacements for the medium-sized giants which will be retired during the next decade for reasons of age. Without carriers it would indeed hardly be possible to defend the remaining "empire confetti" in the future.

More Tasks Than Resources

But who is supposed to provide funds for all that, now that for the first time nuclear chase submarines are being built too, all of which will belong to the submarine squadron of the admiral in Toulon as part of his Mediterranean forces? And how about the necessary replacements during the next decade for the 71 Super-Etendard aircraft, all of which have now been delivered? It is true that the number of flying hours of the carrier-based naval aviation has "improved" from a low of 14.7 hours per month in 1981 to about 16 hours. However, in view of the complexity of this type of operation this would appear to be on the margin of the tolerable minimum. This example is symbolic for the overtaxed forces of the highly tasked French navy which, in case of a serious conflict, would have to contract its potential so as to concentrate on a few major tasks and which would hardly be able to put up a meaningful fight without the cooperation of the Alliance. However, short of the possibility of war, it remains a respectable naval factor, even in reduced circumstances, for a great number of operational uses all the way to Papeete.

9273

CSO: 3620/224

CDA SEEN SHOWING LESS SUPPORT FOR INF SITING

Zurich NEUE ZUERCHER ZEITUNG in German 11 Feb 83 p 4

/Article by T.H.: "Missile Discussion in Netherlands"/

/Text/ The Hague, Beginning of February--There are new indications in the Netherlands that the stationing of U.S. medium-range missiles is being questioned within the Christian Democratic Appeal (CDA). According to the NRC HANDELSBLAD, a daily newspaper, a confidential report presented to Minister-President Lubbers recommends the preparation of a political line by leading CDA politicians which will consider a no to missiles, in view of the resistance within parliament and the broad extraparliamentary opposition. Frinking and De Boer, the writers of the note and CDA-parliamentary-group spokesmen for defense policies, express doubt that a parliamentary majority can be mustered in favor of the stationing resolution. Independent of the outcome of the Geneva negotiations, the CDA should be prepared for the possibility that no cruise missiles will be placed in the Netherlands.

A Confidential Report

The chairman of the CDA parliamentary group is trying to play down the significance of the document by pointing out that it did not represent the opinion of the parliamentary group but that it is merely an expression of a personal opinion which was intended as a point of departure for discussions. By doing that, however, he is confirming the speculation that the CDA is making an effort to broaden its position with respect to the stationing question. A similar thrust--as is evident in the internal discussion--is reflected in cautious attempts by the CDA to improve relations with the Dutch peace movement. A regular exchange of opinions between peace groups and political parties has been in existence for some time. The most important one of these groups is the Interchurch Peace Council (IKV). The spectrum of these groups, however, reaches from the small parties of the left to the liberal People's Party for Freedom and Democracy (VVD), the CDA's partner in government. At the present time the IKV is trying to get the parties to approve a declaration, the focal point of which is the rejection of the cruise missiles. According to a statement by IKV Secretary Faber, the chances are fair for an agreement, which would represent a reversal of the current position of the CDA.

Faber is of the opinion that the Christian Democrats wanted to end their opposition to the peace movement because they were no longer convinced that any missiles would be stationed anyway. Both parties in power are in the process of preparing for an interim result in Geneva, as a consequence of which no more than approximately 200 new systems would be installed instead of the planned 572 systems. A number which falls below the one suggested in the NATO double resolution means that no missiles would be stationed in the Netherlands, because fewer than the proposed 48 cruise missiles--which form a wing of three squadrons--cannot be installed for technical reasons. Since the Dutch government will probably no longer have to face the question whether it should deploy the cruise missiles or not, reducing the confrontation with the peace movement has now become an item of the highest priority.

De Boer doubts that the CDA would be willing to express its opposition to the cruise missiles publicly; if it were the case, the Soviet Union would have a free hand in its missile buildup. Nevertheless, according to their defense expert, the Christian Democrats have the same ideals as the peace movement does. But they were looking for practical solutions, which cannot be said about the peace movement. Among the realistic approaches of the CDA is the fact that it expects an interim solution during the Geneva negotiations, the result of which would be a reduced number of new weapons. On the other hand, if one were to join the position of the peace initiatives, the possibility exists that no missiles would be stationed in the Netherlands; but, in turn, more of them would be placed in other NATO countries. The goal of the Dutch government, however, is to influence the entire development.

Counting on an Interim Solution

De Boer confirmed that at the end of 1979, when the NATO double resolution was adopted, the responsible officers indicated that 48 cruise missiles would be the minimum number. The Netherlands were urging a lower number, but they were told that technically it was the smallest possible unit. Nevertheless, De Boer is not discounting the possibility that in the meantime a smaller number may have become acceptable. At any rate, more important than the military-technical aspect is the political one, which means the sensible utilization by NATO of a result of the negotiations.

Public comments as well as statements contained in the study by De Boer and Frinking substantiate the assumption that new deliberations are in progress within the CDA, although there are no intentions of making any concessions to the peace movement. During last fall's formation of the government, the CDA was still vehemently supporting preparations for the stationing of missiles; today an interim solution is not out of the question, calling for the general elimination of medium-range missiles in East and West. De Boer himself gives the reason for this change of opinion: The goal of his party is to seek the support of a broad majority--and not only a slim one--for the official security policy. According to opinion poll results, a majority of the Dutch reject the cruise missiles.

Being the Christian mass party, the CDA must take these factors into considerations as well as the legitimization problems which have been raised through

the confrontation with the Interchurch Peace Council, which represents the official position of the Dutch churches. The effects on the grass-roots level of the party can be seen, for instance, when one looks at Christian Democratic mayors who have already polled their Liberal and Social Democratic colleagues to find out possible reactions in case the government should force the stationing of missiles. Since it is becoming more and more evident that the population cannot be won for the cruise missiles, it would be no surprise if the CDA tried to prevent a fundamental rejection by relevant segments of the population of the Western Alliance and the bourgeois parties, even at the price of certain concessions with respect to the stationing.

8991

CSO: 3620/214

WEAPONS FOUND FLOATING IN TAGUS RIVER

Lisbon A TARDE in Portuguese 4 Feb 83 p 28

[Text] A sack of war materiel in good condition was recovered at dawn today from the Tagus River by navy divers, an informant of the Navy General Staff has said.

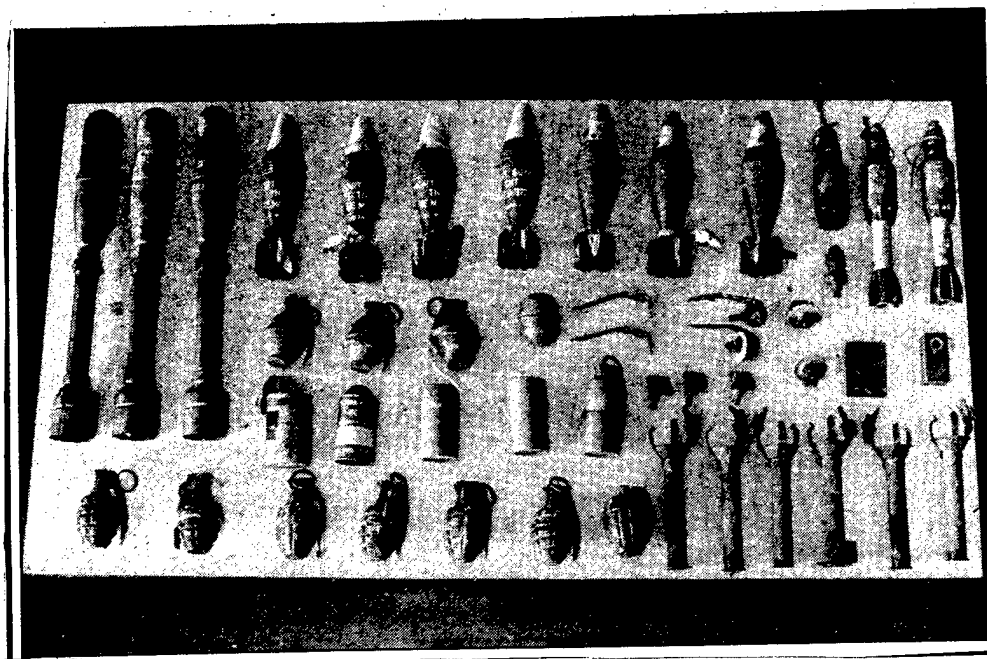
The plastic bag, after being discovered in the sea just below the Belem dock, had been sighted yesterday by a local police agent who then reported his discovery to naval authorities.

The navy divers, who are ready for any emergency 24 hours a day, moved into the area and, besides recovering the sack containing grenades and mortars, conducted an exhaustive search close to the sea wall to make sure there were no more explosives in the area.

Once the sack was opened, it was found to contain 15 offensive and defensive hand grenades, seven 60-millimeter mortar grenades, 3 "polyester" grenades of the Dilagrama type, 3 rocket grenades, 2 triggers and 8 fuzes.

A box was also found, normally used to house grenades, but which contained a complicated mechanism which could be a time-bomb.

All the war material was taken to the Navy Instruction Center on Mines and Countermeasures where military technicians are going to conduct a detailed examination in order to determine its origin, manufacturing characteristics and other factors which might throw some light on the find.



[The Lisbon newspaper A TARDE of 7 February 1983, page 8
carried a photo of the war material mentioned in the
previous article.]

9972

CSO: 3542/46

BASQUE LEADER WANTS HB TRUCE FOR PEACE TALKS

Call To Lay Down Arms

Madrid EL PAIS in Spanish 9 Feb 83 p 1

[Text] The proposals of the head of the Basque government, Carlos Garaikoetxea, to convene a "peace table" in the Basque Country, and the suggestion that Herri Batasuna should act as an intermediary to achieve a ETA truce, met with a negative reception from the Basque Country's PSOE, which makes "a formal and public declaration about stopping all kinds of violence" a condition for any future dialogue. One of the proposals presented yesterday by the "lendakari" [Basque President] in a Vitoria press conference was the advisability of resuming contacts for setting up the negotiating table on 1 March, so as to achieve a "preliminary climate of normality;" but the socialist position is that nothing can be discussed with Herri Batasuna as long as the above condition is not fulfilled.

Garaikoetxea believes that a purely political solution in the Basque Country is not enough, "and it would plunge us once again into a long and unpredictable chain of suffering." This position appears to be very far removed from the one held by the minister of the interior, who declared yesterday that the only conversation possible in the Basque Country is one on "the manner in which to lay down the weapons, and how the statutory legislation is to be applied, including the Penal Code." The terrorists must hand over their weapons to the State, and more specifically to the Civil Guard, which has the authority to collect them.

The director general of the Civil Guard, Lt Gen Aramburu Topete, also made a statement yesterday about the "peace table." "This solution," he said, "is not practicable, since I do not see any good will on the part of the Herri Batasuna coalition and of the ETA; and it is the wrong time for us as well." In this atmosphere, the attempt of Garaikoetxea to get the conversations on pacification moving has almost no other explicit support than that from Euskadiko Ezkerra, a political group which agrees with the necessity for an armed truce, but also wants to sit down to talk, in any case. For his part, Xabier Arzallus, president of the PNV [Basque Nationalist Party] made a clear distinction between Herri Batasuna and the ETA, when he asserted that the former is not responsible for the actions of the terrorists.

The Basque government pointed out that "there has never been any negotiation throughout history which has not been considered by someone to be dishonorable or contrary to certain principles, " but "these narrow views always have had to be overcome by imagination, generosity and historical vision."

Proposal Refused

Madrid EL PAIS in Spanish 9 Feb 83 p 11

[Article by Tonia Etxarri]

[Text] Vitoria--The proposal by the president of the Basque government, Carlos Garaikoetxea, to go ahead in setting up the controversial "peace table" has met with a flat refusal from the Basque Socialist Party, whose leaders admitted that they have "no interest in talking with HB [Popular Unity] ". However, Euskadiko Ezkerra [Basque Left] called the "lendakari's" [Basque President] plan a positive one, but insisted that it was essential to ask the ETA [Basque Fatherland and Liberty Group] Military to call a truce before the conversations could begin. The three conditions set forth by Garaikoetxea to make them possible are: to search for political solutions for terrorism, to create a preliminary climate of normality, and to emphasize respect for the lives of the citizens.

These conditions were accompanied by a public call to HB to act as an intermediary with the ETA in obtaining a truce. As of now, that nationalist coalition has preferred to say nothing regarding the proposal of Carlos Garaikoetxea.

The first negative response to the invitation of the "lendakari" to sit down at the "peace table" came from the Basque Socialist Party. Its secretary general, Txiki Benegas, told this newspaper that as of now his party would not sit down around a peace negotiating table: "This is not the most appropriate time to draw up new peace proposals. The conditions set forth by Carlos Garaikoetxea are not adequate. After the savage armed attack it has been shown that there is no desire for dialogue. After what has happened, we socialists will insist on a formal, express and public statement from ETA or HB that they will guarantee to call a halt of all kinds of violence before any type of conversations on pacification can take place." The idea of setting up a negotiating table outside the institutional framework had not been looked on favorably by the socialists on principle. They understand that a platform with these characteristics involves a bypassing of democratic institutions. Txiki Benegas argued along this line: "The ETA's war is being made politically legitimate, since it is leading to a discussion outside the institutions." The socialist leader does not understand Carlos Garaikoetxea's insistence on continuing to try to talk about peace "without going into the problems of depth, when in the space of one week we have had four deaths put on the table."

Arzallus: "Differences Between HB and Terrorism"

As if in response to the statements of the socialist leader, the president of the national council of the Basque Nationalist Party, Xabier Arzallus, attempted to make a distinction between Herri Batasuna and the terrorists' course of action in a tone which, perhaps unconsciously, contradicted the plans which the "lendakari", Carlos Garaikoetxea, had expressed in the morning. While the president of the Basque government addressed HB, asking them to intermediate with the ETA so as to achieve a halt to the violence, Xabier Arzallus stated: "No matter how much they say that it has relations with the ETA, HB cannot be made responsible for the violent actions of that armed organization."

The nationalist leader emphasized that it had been "a grave error to put prior conditions on the setting up of the negotiating table, because in this way they had only run into preliminary obstacles to a dialogue on the pacification of the autonomous community."

For their part, Euskadiko Ezkerra also insisted--along the same line as the PSOE [Spanish Socialist Workers Party]--on the need for obtaining guarantees for a stable climate in the framework of the peace conversations to be made explicit in a more convincing way. However, that party considered that the plan presented by the "lendakari" Carlos Garaikoetxea was "positive," Javier Markiegui said: "Above all, it upholds the principle that there must be a dialogue, that we must seek negotiated political solutions; and that is positive. The 'lendakari's' plan calls for greater firmness, for guarantees of an authentic desire to negotiate, since it makes note of the offer of the HB to be an intermediary and gives a message to the ETAm."

The EE leader added that if the HB's mediation should be successful, and if a de facto truce were to be achieved, "the obstacles preventing everyone from being able to take part in the talks could be resolved. But we think that after the bloody events that took place this week, the desire for negotiations would have to be guaranteed in a more convincing form, that is by the public announcement of a truce by the ETA-Military."

On his part, the Euskadiko Ezkerra deputy Juan Maria Bandres declared: "I agree with the 'lendakari' that in order for any negotiations to succeed there should be a truce, a halt--even if temporary--to the armed struggle by the ETA-military. What I do not agree with so much is that now a new demand is being created, as I heard yesterday from Txiki Benegas, to the effect that an official and express declaration of a truce must come from the ETA. We must avoid formalities and problems of terminology. The important thing is to bring about the 'de facto' truce or the announcement of one; to create a favorable climate for seeking a political and negotiated solution to the current situation."

Regarding the statement of Garaikoetxea about his wish that the negotiation, when it comes about, should come to a standstill during the time of the municipal elections, Bandres said: "If I had a chance to have an

influence on the negotiations, I would set them up so as to place it on record that they could be instituted, and later I would adjourn them until after the local elections."

As for the radical nationalist coalition, HB, it declined yesterday to make any comment on the proposal fo the president of the Basque government. According to what this newspaper was able to learn, it is possible that that coalition--which yesterday contacted the "lendakari" by telephone just to find out about his proposal--will wait until next Friday, the day when its directing body will hold a meeting, to publicly release its reply.

Barrionuevo: Lay Down Arms

On his part, the minister of the interior--Javier Angulo reports--stated in Madrid: "What we must talk about is how to apply the statuatory legislation, including the Penal Code. That is all, Along with that, how to lay down the weapons, stop the armed struggle."

When questioned by reporters on this subject, Barrionuevo preferred in principle not to express an opinion, and in any case to take the position that his party is adopting on the subject. However, when pressed by reporters, the minister commented that what must be discussed now is how to lay down the weapons. "The Civil Guard is to collect the weapons." When some puzzled reporters wondered if that would be possible, Barrionuevo said, "I believe so; it was possible in Italy, and it also could be done here."

8131

CSO: 3548/164

HERRI BATASUNA REVEILED AS CHAMPION OF ETA

Madrid YA in Spanish 17 Feb 83 p 5

/Editorial: "Herri Batasuna"/

/Text/ The whole process of terrorism in this country has acquired an unacceptable aspect, apart from the fact that, by itself, it bears the stamp of the unrestrained barbarism of its organizers. The number of victims, from whose corpses an impressive funeral pyre could be made; the madness of its executions; the mechanical determination which animates those who take human lives in an automatic fashion proper to a robot; the practiced use of techniques of intimidation against those who are threatened; all of this constitutes a complex of definite and dramatic facts which overwhelms our present course.

However, in addition to this are the words, the unaccustomed statements, unacceptable because they are defiant, made by certain participants in the Basque situation. They attempt to excuse, justify, cover up, to use a few words, the criminal conduct of the ETA /Basque Fatherland and Liberty Group/ by using words like understanding and agreement which smack more of complicity than of uncompromising rejection, which the latter and not the former would be proper to use. Herri Batasuna is playing a repulsive role which consists in becoming the complacent echo of the statements of those who, to all appearances, have been his bosses from the very beginning. Speaking in the name of stubborn and extortionist assassins who are openly anti-Spanish may be satisfying to those who do it: they are there to prove it. Those who look at them from a perspective of dignity and reason must reject them. This is because they continue to use unacceptable language: "How are we going to ask them to stop killing if we don't ask the police to stop killing also?"; because they support claims which involve serious violations of the constitution; because they continue to justify outrages and applaud constant offenses against respectable institutions and symbols; because they avoid attending meetings called to protest against those who continuously commit crimes; because, in sum, they continue to show that they are in agreement with harsh, antidemocratic, and tyrannical conduct. The media are full of unequivocal evidence that explains and justifies the weariness and indignation of the people.

And there remains the juridical structure on which our community is based, which has clearly supported them, on the basis of the constitution itself: this is the legal structure in force, within which the citizen seeks to develop, in which he has confidence to deal with his problems, and which all of the political parties respect and observe. That is, with the exception of Herri Batasuna, the impresario of the worst activities. It is understandable that public opinion should feel comforted, even if only momentarily, by the most recent statements and decisions made by some well-known socialist and populist politicians, who have bravely condemned the conduct of those undesirable persons and their supporters, using the theme of the "round table for peace," while innocent victims continue to fall. Now more than ever the country demands, because it really has a right to it, that the government set up a barrier right across the board that cannot be crossed by the unbearable burden of terrorism and its diligent spokesmen. The government must have ways and means of doing so.

5170

CSO: 3548/210

GOVERNMENT CONCERNED OVER NATURAL GAS COMPETITION FROM USSR

Helsinki HELSINGIN SANOMAT in Finnish 7 Feb 83 p 20

[Article by Matti Klemola: "Netherland's Gas Income Beginning to Dry Up"]

[Text] Holland--Holland, which is suffering from economic difficulties, believes it will get over the worst by means of its enormous natural gas reserves.

There is enough gas for export for almost another 20 years, but the Dutch may experience "symptoms of withdrawal" already in the near future.

A high official in the Dutch Economic Ministry compares natural gas with narcotics; the gradual reduction of income obtained from it will be agonizing.

Holland, which is one of the world's largest exporters of natural gas, is planning to bring a gradual end to its exports by the year 2000.

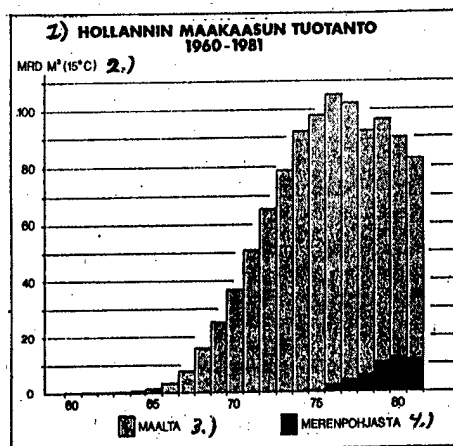
While just a few years ago Holland exported approximately 50 billion cubic meters of natural gas annually to its neighboring countries primarily, exports in 1980 were already reduced to a little less than 43 billion cubic meters. And the trend will continue to be downward. The goal is a soft landing from the point of view of Holland itself as well as its client countries.

Nevertheless, it is apparent that the reduction of exports has been more drastic than the Dutch themselves would have wanted. The reasons are a recession in Western Europe, a mild winter, and energy conservation measures.

10,000 Markkaa Per Family

Peter Campen, assistant director of the energy section of the Dutch Economic Ministry, talks about natural gas as a "drug", which will cause the Dutch to experience "symptoms of withdrawal" already in the near future.

Natural gas has had a dramatic impact on the Dutch economy for decades. Natural gas makes up approximately 17 percent of the total income of the Dutch state. The economic benefit gained from natural gas income per each Dutch family is 10,000 Finnish markkaa; this is the amount of additional taxes the average Dutch would have to pay annually if this income were suddenly cut off.



Key:

- 1) Holland's natural gas production, 1960-1981
- 2) Billions of cubic meters
- 3) From the ground
- 4) From the bottom of the sea

"Pleasing the People"

There is no danger of this in the immediate future since it is estimated that Holland's natural gas reserves amounting to more than 2000 billion cubic meters are sufficient to last at least until the year 2030; indeed, only for Holland's own needs after the year 2000.

In addition, Holland also has oil and above all coal, from which gas can be manufactured.

In spite of this, the gradual reduction of gas income has already now begun to be felt to a modest degree even in the life of the average Dutch citizen.

Gas income has been used to a considerable degree to strengthen the country's social security system, "for pleasing the people", as Peter Campen says, but now this road has come to an end.

Now that Holland is also experiencing mass unemployment of 13--14 percent, the country's economy is faced with a considerable challenge.

Governments Shortsighted

Peter Campen complains that gas income was not used more intelligently during the good years or in the 1970's when Holland came out of both energy crises unscathed. In his opinion the government should have taken a more long-term approach or should have directed its gas income primarily toward strengthening the country's industry instead of rapidly expanding the social security system.

To what degree the Dutch have expected the beneficial effects of natural gas to last indefinitely is anybody's guess. Peter Campen does not concede that Holland would have expected to obtain considerably more income from natural gas than what it in fact finally turned out to be.

Incorrect Estimate of Billions

The English economic newspaper FINANCIAL TIMES argued, however, a few months ago that, for example, the 1982 estimate and the truth are far from being in agreement. According to the newspaper, the Dutch expected to receive an income from natural gas amounting to nearly 18 billion guilders or approximately 36 billion Finnish markkaa. According to the FINANCIAL TIMES, the truth at the end of the year was approximately 14 billion guilders or 28 billion markkaa.

However, an incorrect calculation made during any given year will not cause the collapse of a prosperous Holland. The dangers indirectly connected with natural gas will be lying in ambush in the next few decades, and the basic problem is Holland's economic structure.

The national economy is forcefully based on irreplaceable natural resources or primarily on natural gas, industry is capital-intensive, labor-intensive small and medium-size enterprises are almost completely nonexistent, and in addition to all this, Holland is a country of large firms especially sensitive to economic fluctuations.

"But we are still not in any kind of serious situation," assures Peter Campen. He points out Holland's excellent geographical location in Europe and, among other things, the fact that the country has the world's largest port, Rotterdam.

"Moreover, natural gas gives us time to deliberate what we should do to our economy by the turn of the century," he states.

The challenge is, however, considerable. Already in the 1990's Holland should be able to earn 50--75 billion Finnish markkaa by other means when the income from natural gas does, indeed, begin to fall off.

Soviet Gas Coming

Nevertheless, things need not necessarily turn out just exactly as the energy section of the Economic Ministry in the Hague would like.

While there is a desire in the ministry to cut back the flow of gas, the management of mass unemployment (estimated by the OECD to increase to even 17 percent by the end of 1983) is tempting the government to accelerate gas exports once again.

However, this could be very difficult since, on the other hand, the recession is keeping European energy consumption down, and what is even worse -- from the point of view of the Dutch -- is coming.

The Siberian gas pipeline from the Soviet Union to be extended to Holland's client countries also will be completed in a couple years, and at this time no one can say how the Dutch and also the Norwegians will manage in this competitive situation. And what is completely unpredictable is what Holland's gas income will be if OPEC collapses and the price of crude oil slips into a steep tail spin.

10576

CSO: 3617/72

REPORT ON ROLES OF STATE, PRIVATE OIL FIRMS ISSUED

Oslo AFTENPOSTEN in Norwegian 23 Feb 83 p 5

[Article by Morten Malmo: "Hveding Says Mellbye Report Means Continued Strong Statoil"]

[Text] "Although the state gets direct shares in the blocks on the shelf, Statoil is going to be the oil company which can count on the largest ownership shares," said Minister of Oil and Energy Vidkunn Hveding to AFTENPOSTEN in a commentary on the report from the Mellbye committee. Hveding pointed out that the recommended changes in the present system will not weaken Statoil's possibilities as an oil company. "It may be better for Statoil to defend a strong place with the power of its experience and competence, and not with its special advantages, said Hveding.

The oil and energy minister told AFTENPOSTEN that he is well pleased with the committee's report, and he said that the mandate assigned to it was fulfilled. Hveding emphasized that the mandate is in line with the unified nonsocialist position. "The committee has not evaluated what is politically desirable, but only had the task of investigating how it most appropriately can be done, if it is desired to separate Statoil's administrative and commercial tasks. The Conservative, Christian Peoples' and Center Parties have, in their unified position, recommended evaluating such a separation."

"Finn Kristensen (Labor Party) has criticized the committee because it has not managed to get such a separation. Care to comment?"

"It appears to me that the Mellbye committee has succeeded in an excellent way. We have of course just wished to know how the functions can be formally separated," said Hveding, and continued:

"If the recommendations of the committee become realities, Statoil will continue to have the same central tasks as today, selling of all state-owned oil and gas among other things. The greatest difference will be that Statoil, in the partnerships in the different blocks, will not have the voting majority alone, although the Norwegian firms together will have a

majority. In addition the Mellbye committee recommends that Statoil eventually should be able to vote the state ownership shares, but then only after a decision of the company's governing board, meaning the oil and energy minister, who is always responsible to the Storting."

"The oil minister's parliamentary responsibility for commercial decisions will therefore increase. Do you have any doubts about that?"

"It should be no problem that the minister and the government should take the responsibility that is inherent in government control. The recommendation by the committee will just give the increased elected influence which was sought."

"Will the oil minister consult with the Storting Industrial Committee before making important decisions, as the foreign minister does with the expanded Foreign Affairs Committee?"

"In concrete issues that can happen, but this must be a question of how the Storting wants to work."

"Experience shows that it is difficult for Statoil to be a political government agency, while at the same time the company is an ordinary oil company with the right to fight for its own interests. The committee recommends that the state ownership interests for already-granted concessions should be reorganized. Do you agree?"

"It is necessary if the intentions of the unified position are to be fulfilled. That will only apply to the economic ownership interests, and not changes in Statoil's working program."

"How large shares should the state have?"

"The state should have all that the companies, including Statoil, do not need to do their job--to get the oil and gas out. The state share can thus vary from little or nothing in meager fields to 50-60 percent in very good fields."

"Will the report of the Mellbye committee be fully carried out and entirely under the oil ministry?"

"The ministry will now evaluate the report, and it will be the government's responsibility to present concrete recommendations to the Storting. With the background of the issue in the unified nonsocialist position, it will be natural to have contact with the parties which stood behind it," said Minister of Oil and Energy Vidkun Hveding, who also rejected the assertion that it is necessary to build up a new, large government bureaucracy so that the state will be able to receive the oil income directly, and not as it is now, via Statoil.

9287

CSO: 3639/77

DAILY APPROVES RECOMMENDATIONS ON STATOIL ROLE

Oslo AFTENPOSTEN in Norwegian 23 Feb 83 p 2

[Editorial: "Adjustment of Course"]

[Text] Statoil's power and Statoil's role, or more correctly the unfortunate mixture of roles, has long been an item for discussion in oil policy. We therefore find it natural that the conservative government is trying to put through certain changes. And the committee which on Monday presented its report to Minister of Oil and Energy Vidkunn Hveding must be seen as a followup to the unified position of the cooperating parties on the long-range program.

The powerful Statoil Company operates with an estimated income for the current year of 18-22 billion kroner, and the increase will be considerable in the next few years. A company which has come to represent about 20 percent of the GNP will necessarily have a very strong influence over Norwegian business in general.

That builds up a power concentration which reduces the possibilities for political management and control. So much more so as Statoil today is assigned tasks of a purely administrative nature such as income collector for the state. Further there is a need to strengthen the possibilities for the Oil Directorate to act as an effective and critical expert in relation to the oil companies. We consider it necessary--and not at all abnormal--that such questions are thoroughly discussed during the development of such an especially important business.

And the Mellbye committee has delivered the basic material for such discussions. A main principle in the report is that oil income to a much greater degree should go directly to the state, and not via the accounts of Statoil. Further the committee recommends that Statoil's share in the respective permitted extractions be limited. The objective is to reach a better degree of balance between the different Norwegian companies participating in oil activity.

For our part we believe that a stronger element of real competition--beside a professionally strengthened Oil Directorate--will give a better basis for

elected control and sound development in the oil sector. In several ways preparations are being made to reduce Statoil's privileges and special position somewhat. Thereby Hydro and Saga will have better possibilities. In concrete terms for example, it is said that the two companies, in addition to Statoil, will be given interesting operational tasks.

This does not mean any wing clipping of Statoil, but better control can be achieved with the decision-making process, and that should undoubtedly be greeted with satisfaction. The alteration of course which is being outlined here will naturally have a long-range perspective. If the changes are to materialize in this century, it is however necessary to intervene in the concessions which have already been granted.

According to our understanding, the intention is to present a Storting proposition in the autumn, against the background of the Mellbye committee's report. It is still too early to say to what extent there will be merging viewpoints in the two documents, and how much of a majority it will get in the Storting. What is worth noting at this time, however, is the broad unity which has made itself apparent in the committee--professional as well as political. Without taking a position on all the details of the report, we will point out that a solid contribution has been made to a necessary adjustment of course.

9287

CSO: 3639/77

FIELD STUDIES BEGIN ON ICING PROBLEMS WITH ARCTIC DRILLING

Oslo AFTENPOSTEN in Norwegian 24 Feb 83 p 48

[Article by Rolf L. Larsen: "Scientists at Frigg Field Collect Icing Data for Winter Drilling"]

[Text] Trondheim, 23 February--Research on offshore icing will be increased. Next month a research group will go out to the Frigg field to collect samples of the water content in the sea spray. These samples will be used in an icing tunnel which will be built in the autumn at Trondheim. Together with information now being gathered in a database about wind, air and sea temperatures in northern waters, the results will be used when the oil companies propose winter drilling on Tromsøflaket.

This icing data will be worked out next summer, and the oil companies will then be able to use it if winter drilling is proposed on the Tromsøflaket in 1984-85.

"Today we are uncertain about a number of conditions relating to icing in the north. We need more information on how the ice forms on structures such as platforms and ships, and how quickly it does that, and how thick it gets. Tromsøflaket is today one of the most difficult weather areas in the world, if we compare it with other areas where oil activity is conducted. It is therefore important that as much information be collected as possible in order to prepare for such activity, and to give platforms and ships which use these waters the greatest possible safety," said the research group leader Ole Gunnar Houmb and chief scientist Torkild Carstens from the scientific group which will conduct the ice research in Trondheim.

There are scientists from the so-called OTTER group in Trondheim--a group which coordinates the research in the Trondheim environment for the offshore area--who are now presenting these plans in a seminar on offshore icing in Trondheim.

Nearly 50 representatives from Norwegian and international offshore activity, shipping companies, construction companies, government officials, the

Meteorological Institute, Norske Veritas and Norwegian scientific institutions are participating in the seminar to evaluate how these questions can be solved.

The research projects which are being presented and discussed in Trondheim will be a research cooperation between the OTTER group and the Meteorological Institute. It will cost about 3 million kroner to carry out the research projects which are planned for this year. So far a so-called paper study has been done which took one full year. In this preliminary study the scientists have collected all applicable information on icing. There has also been a literature study and studies of existing theories about icing problems and which rules can be established in advance.

The research is now being expanded with field work. During March a research group will travel out to fixed and floating oil installations on Frigg field to take samples of sea spray there. Weather conditions on Frigg field are about the same as on Tromsøflaket. The difference is that Tromsøflaket has lower temperatures in the winter. To find out more about how sea spray acts under winter icing conditions, further research will be carried out with sea spray samples in an icing tunnel being built in Trondheim this fall. It will cost about one-half million kroner, and will be built at the Watercourse and Harbor Laboratory. Here they will conduct studies of ice growth, said the two scientists.

At the same time they will be building up a database in which they will collect all the applicable data about weather conditions in the northern area. With the help of this database they will develop a working model in which can be calculated the danger of icing and how serious it will be in given situations. The model will, among other things, calculate how the air is warmed when it moves over open sea, the development of sea spray and wind and how it can form low pressure which moves very rapidly and creates powerful wind and precipitation in a very short time.

The data which is collected in this model will be collected through observations which have been made on land and partly by weather ships.

"All situations where the temperature causes freezing will be sorted out and analyzed. It will then be possible to calculate the temperature at 6 hour intervals anywhere on a selected route which covers the entire area. It will also be possible to find situations which have created danger of icing and how long they have existed. On this basis the new model will be constructed, and based on weather observations in the outer areas one will be able to calculate ahead how the conditions will be," said the two scientists.

According to what AFTENPOSTEN has learned there was great interest among all the participants in the research projects which are now being presented in Trondheim, and a final signal will be given if the projects will be start-

ed in a short time. Statoil and Norsk Hydro will, among other things, contribute about 1.4 million kroner to the ice research, while two foreign oil companies have stated their interest in participating in the work.

9287

CSO: 3639/77

SOVIET, IRANIAN OVERTURES FOR NATURAL GAS PIPELINE

Istanbul MILLIYET in Turkish 3 Feb 83 pp 1,9

[Text] Ankara--According to a statement issued by the Turkish Ministry of Foreign Affairs following a visit paid to Turkey by a Soviet delegation headed by Soviet Minister of Foreign Trade Grishin, the issue of laying a natural gas pipeline between the Soviet Union and Turkey will most probably be discussed at the April meeting of the joint commission to be formed by the two countries.

At the conclusion of the talks held with the visiting Soviet delegation, it was decided to continue the technical work on the issue of buying natural gas from the Soviet Union and increasing Turkey's imports of Soviet electricity.

As is known, the issue of buying natural gas from the Soviet Union through a pipeline has been a subject of discussion for a long time. Various talks were held between the two countries on this issue. However, Foreign Ministry Spokesman Ambassador Nazmi Akiman said in response to journalists' questions two days ago that the project will be discussed at the April meeting of the joint commission to be formed by the two countries.

The natural gas is expected to be used for industry first and then for heating. If natural gas is bought from the Soviet Union, it will mostly be used in industry in Western Turkey. According to information obtained, the natural gas pipeline from the Soviet Union has now been extended to Bulgaria. If Turkey decides to buy Soviet natural gas, the pipeline will be extended from Bulgaria into Turkey. However, opinions are also being expressed to the effect that the Soviets' Siberian natural gas that is going to feed Europe will be inadequate in the near future.

Currently, Europe is using Dutch natural gas. However, it is alleged that Holland will run out of natural gas by the 1990's at which time shortages will start to be felt, and the Siberian natural gas will be unable to meet Europe's needs. Consequently, the dominant opinion is that buying natural gas from Iran will also help Europe. It is reported that several firms in Europe have undertaken preliminary work on the issue of extending to Europe the prospective Iranian gas pipeline to Turkey.

Options for Iranian Natural Gas Pipeline

It has been learned that various options are being developed in connection with the pipeline that will bring Iranian natural gas to Turkey. One option envisages laying the natural gas pipeline from Ahwaz in Iran to Iskenderun and building

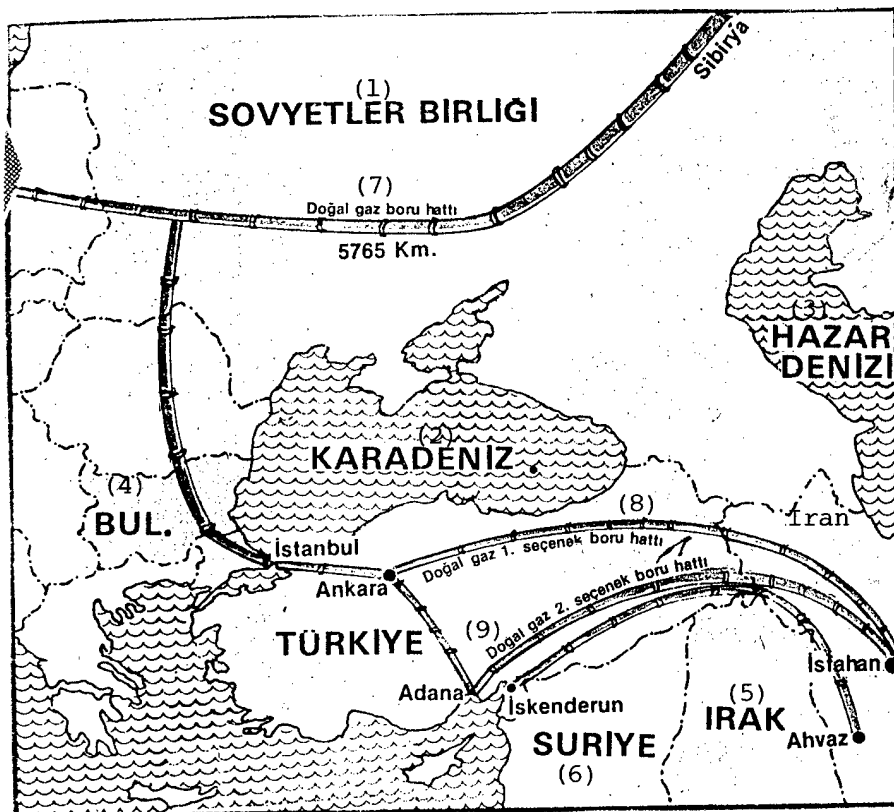
additional installations next to the filling stations of the Iraqi oil pipeline, thus making it possible to make use of the port's capacity. At the Iranian end, the pipeline will be connected to the Isfahan pipeline. The pipeline will pass from the north and south of Lake Van and through Ankara and Istanbul reaching the Greek border. From Greece, the pipeline will extend to the south of Italy where it will join the European pipeline network.

A second option envisions bringing the pipeline first to Adana and then extending it to Ankara and Istanbul. This pipeline, too, will be connected to the European network following the same path described in the first option.

Officials state that talks with Iran on this issue have reached a considerably advanced stage and that the project, "impeded" during the time of Shah, has been endorsed by the Khomeini administration and work on it has intensified. It is said that the efforts of the Soviet Union to sell its own natural gas "are increasing Turkey's bargaining power with the Soviets as well as Iran."

Reserves in Turkey

Current figures show that Turkey's domestic natural gas reserves total 12 billion cubic meters. The Thrace and Pinarhisar cement factories use 55,000 cubic meters of natural gas a year out of these domestic reserves. It is also believed that there are natural gas reserves in southeastern Anatolia. It is further reported that a British firm is working on a report stating that there are natural gas reserves around Lake Tuz.



Key:

1. Soviet Union
2. Black Sea
3. Caspian Sea
4. Bulgaria
5. Iraq
6. Syria
7. Siberian natural gas pipeline
8. Iranian natural gas pipeline, first option
9. Iranian natural gas pipeline, second option

[Caption] At the conclusion of Soviet Deputy Foreign Trade Minister Grishin's visit it was learned that the Soviets' wish to sell natural gas to Turkey will be discussed at talks to be held between the two countries in April

WORLD BANK CREDIT FOR THRACIAN NATURAL GAS

Istanbul MILLIYET in Turkish 16 Feb 83 p 3

[Report by Nilufer Yalcin]

[Text] Ankara--It is reported that the World Bank is earnestly interested in the issue of oil and natural gas found last year in the Luleburgaz-Babaeski region of Thrace and that it may extend a loan of \$60 million to TPAO [Turkish Petroleum Corporation] to support its exploration and drilling efforts.

World Bank experts who arrived in Ankara on 31 January said that they may apportion \$10 million of the \$90-million loan previous allocated for exploration and drilling activity in Turkey's southeastern region toward intensification of work in the natural gas region known as "Umurca-1" until a decision is taken to provide further support for the work in Thrace. The World Bank experts inspected TPAO's work in this region and examined the natural gas and oil obtained from nearly a dozen wells that have been drilled. After studying the situation on the spot, the experts recommended that Turkey ask for a new loan from the World Bank. Upon that, TPAO officials submitted to the Ministry of Finance a request for a loan of approximately \$60 million for drilling a sufficient number of wells to show the true oil and natural gas potential of the Thrace region.

The World Bank delegation which left Ankara recently will submit, as soon as possible, to the board of directors of the bank a report saying that the Thrace region is promising from a perspective of oil and natural gas potential and recommending that credit be extended to develop the region. A decision on this issue is expected by June the latest and there is a great likelihood that the response will be positive. The World Bank experts told TPAO officials that they can transfer \$10 million from the southeastern region loan to the Thrace project so that the work on developing the Thrace region will not slow down until June.

After the potential of the Thrace region was confirmed and following the authorization of TPAO to use \$10 million of the World Bank loan for the Southeast in Thrace, the Turkish side decided to request the transfer from the World Bank.

9588

CSO: 3554/154

LABOR UNION'S VANDEN BROUCKE ON STRATEGY, GOALS

Brussels KNACK in Dutch 19 Jan 83 pp 28-30

[Interview with Andre Vanden Broucke, president of the ABVV, in his office at ABVV headquarters (Brussels), by Chris De Stoop and Karel Cambien: "Andre Vanden Broucke, the New Boss of the ABVV: A Strike Is Meaningful Only When it Hurts"; date of interview not given]

[Text] At the ABVV [Belgian General Federation of Labor] headquarters, the bright red name plate of "General Secretary G. Debunne" is still hanging on the wall, but for 3 weeks now the man behind the door has been 54 year old Andre Vanden Broucke, from Kortrijk, a sturdily built man who can nearly look his almost 2 meter tall opponent, Daniel Janssen, from the employers association, straight in the eye. Vanden Broucke does not like to be compared with Debunne; he obstinately stresses all the differences. Moreover, he is "president" of the at present more federalized ABVV, whereas Debunne's title was general secretary. Debunne came from the civil service. Vanden Broucke comes from the factory. Debunne's successor is as extroverted and easily accessible as Debunne was introverted and inaccessible. The Vanden Broucke decade has begun.

Andre Vanden Broucke: Yes, a position like this must go to someone who is considered acceptable by the union movement as a whole. It would be hard for anyone who is too strongly involved with one side or the other to receive unanimous support.

I hesitated for a long time before I accepted the position. First of all, because it is difficult to leave as beautiful an organization as the General Federation, where I have worked for 22 years, and have experienced friendship and cooperation. Secondly, today problems at the interprofessional and national levels are accumulating so much that such a presidency is not a sinecure. To pick up the torch at this time is not the same as when Debunne did it. And thirdly, I have been in rather poor health in recent years. Furthermore, you are more cut off from the rank and file here than you are at the General Federation. But, you know, if my becoming president was a general request then I could not go on refusing it.

Question: Debunne had his three creeds: interprofessional, interregional, interconfessional. Are you emphasizing the same things? At this time, Walloon workers oppose Flemish ones, Christian workers oppose socialist ones, and negotiations take place within each industry rather than on an interprofessional basis.

Vanden Broucke: Yes, well, if I had been able to choose the time to take this chair myself, it would certainly not have been now, at a time when so many serious problems have been accumulating. I unquestionably subscribe to my predecessor's three principles, but I will also emphasize other things. Debunne never had a time as difficult as the moment when I am starting. We must have a good idea now of where we want to go with the structures of our unions. If we want to remain interregional, doesn't that also mean that we have to be national, one and indivisible? Father's Belgium will never come back. You know that, at its latest convention, the ABVV was somewhat federalized. It is simply no longer possible for "the" country, "the" administration, "the" ABVV to express itself monolithically and ex cathedra about problems with clear shifts in emphasis from one region to another. We must show respect for the personality of each region, which brings its own set of problems into the overall approach; that is an enrichment.

Question: Isn't that a theoretical play upon words in order to make it possible in practice to finally give up the holy cow of workers' solidarity? Would you, for example, still dare to organize a concrete action in favor of Cockerill-Sambre in Flanders?

Vanden Broucke: Are we, the workers and socialists in Flanders, the ones who keep a solution for Cockerill-Sambre from being sought? Other forces are doing that, and they are politically-community inspired. As a Fleming, I am certainly not allergic to a solution for Liege because, in the first place, I can very well imagine the unutterable grief it creates for the people of that region. And, secondly, because I don't see Cockerill-Sambre as limited to the Liege basin alone, but I realize that it extends to the port of Antwerp, to the coal mines of Campine, to many things which we blindly use without realizing that this large industrial complex in Liege lies behind them. I get annoyed at the cheap way in which a company, which is on the rocks and never had a chance to get off the ground, is being shot at today. The policy toward Cockerill-Sambre has always been a "lip service" policy, and at the slightest economic wave the firm gets water in its mouth and nearly drowns. To speak about non-existing 14th and 15th months, to brandish 10,000 lay offs, isn't that a cheap play upon words, isn't that hypocrisy of the purest caliber? No, if there is a need for national action in favor of Cockerill, then I will not hold back because I happen to have been born in Flanders.

Another matter is the fact that solidarity is now altogether more difficult to achieve. Should one industry automatically take action when lay offs are taking place in another? Then we could take to the streets every day. Because of all the hammer blows from the current government and from the economic situation, the workers have lost some of their resilience. They did try to react in the beginning of last year, but this was frustrated by a lack of solidarity, especially on the part of the ACV [Confederation of Christian Trade Unions]. They could not exercise enough pressure to stop the trains, and they became more and more embittered.

But successful actions were carried out in November and December because, at that time, we did have the backing of the ACV, and then you could see how their heads straightened up again, how combativeness grew, the will to fight this year against the employment policy, against the continued moderation, and against its unfair distribution. I think that a united front with the ACV is more possible today than it was last year. It is true that the social elections threaten to disturb us momentarily, even though I say that electioneering has no place in times like these. We are now having discussions to try to find out, once and for all, what unites us and what divides us, and as things are going now I do see the possibility of our agreeing on strong actions.

Question: In your opinion, another combat strategy should also be sought?

Vanden Broucke: I realize that those 24 hour strikes did not have an overwhelming impact, and that other means of pressure must be tried. After all, we cannot call on the workers to strike every 5 minutes; that would simply lead us into a revolutionary situation. The ever stronger employers and the ever more rightwing oriented government are also less sensitive to a strike, because it probably hurts less now. Then we have to either make this strike more painful -- through longer, more generalized, or more wildcat strikes --, or think up other strategies. Which ones, I don't know yet, but takeovers, for example, are sometimes more painful to the employers. I have spoken before about civil disobedience, and the press has blown this up quite a bit. It is a possibility; I don't know whether we can pull it off, but at the time, Theo Lefevre's pay strike hit the government hard. A strike is a powerful weapon, but it makes sense only when it hurts; otherwise it only causes hardships to the strikers themselves.

Question: And it didn't hurt very much last year. The Martens V administration did not yield?

Vanden Broucke: And yet, the government is now far from comfortable, isn't it? The disillusionment of a large number of Christian workers is now turning into embitterment and criticism, and after all the attitude of the ACV is of vital importance to the further existence of this administration. The ACV also has its left wing, which wants to go against the government, together with us.

Union pressure certainly has an impact on this government, in addition to the other political problems, such as steel, such as the Happart problem even. It is, of course, easy to crystallize everything around Happart, because this sells better than the difficulties surrounding the steel industry or the reduction of working hours.

The government overburdens the employers with enormous presents; last year this amounted to approximately 300 billion francs. And now this government dares to request another 3 percent in income reduction for 1983, which it doesn't really need, because it told us proudly that competitiveness has been restored. The government had promised that, if competitive power was restored,

it would conclude agreements in 1983 at the level of the enterprises, to say what should be done with that income reduction. Employment would be cranked up, and they spoke bombastically of 75,000 jobs.

Three percent, that is another 75 billion francs in purchasing power they are taking away from us over a period of 2 years. And what is there to balance this out? The government makes the reduction in working hours more attractive, through tax exemptions and the like, but it does not impose this on the employers because the political power relationships do not allow this.

Question: Do you consider a redistribution of labor as the only possible way to create additional jobs?

Vanden Broucke: Except for economic expansion, of course, but this is a castle in the air. No, for the time being a reduction of working hours is the only way, and this should go further than the 36 hour week. The ABVV has been preaching this for 6 years already. And income reduction can be /meaningful/ [in italics] only if it benefits employment, otherwise we take the position that you cannot take away what belongs to the workers. If that 3 percent moderation is not returned to them in the form of jobs, then it should be in the form of recovery of purchasing power. I want to add that the government is wrong in aiming fully at that export syndrome, because only 30 percent of the jobs in Belgium have anything to do with exports. Domestic consumption must also be cranked up, and that means a recovery of purchasing power.

It was not just yesterday that we saw the ghost of unemployment appear before us. Nor is it since yesterday that we have seen how the remaining investments were going into rationalization rather than into expansion. Meanwhile, we are stuck with 600,000 unemployed; a whole industrial generation is being told that it is superfluous.

Question: And what, for the moment, does the union do for those 600,000 unemployed? How much good did the union do the unemployed individual who jumped under a train last week?

Vanden Broucke: But who should proclaim the message of hope? The only one who is still fighting against inevitability is the union, after all. The government governs, the employers are jubilant, but they don't occupy themselves with doing something about that enormous grief. On the contrary, neo-liberalism has failed grandiosely: it cannot create 600,000 jobs; and on the rebound, that system turns against the unemployed, regulations are becoming stricter, they are scolded for being lazy, and receive less unemployment benefits. If we let this government have a free rein -- and especially the liberals --, then we will return to a state of need, the placing of social security into private hands. As a union, we do what we can, but there is no reason for us to go beg for soup, is there? I realize that the unemployed are wondering: where is the union now? I do believe that in the future, the ABVV will organize specific actions for them too. This administration is always holding forth about how we should key our policy to the average policy of our seven most important trade partners, but let them come and tell me where, in those seven countries, the unemployed must trudge through rain or shine to the unemployment office every day.

Question: During his last days as general secretary, Debunne was confronted with a power shift: the unions were pushed from an offensive position into a defensive one, and did not immediately have a convincing response to it.

Vanden Broucke: The unions must return to the offensive; they cannot allow themselves to be backed up to the wall. A different union movement -- well, when I see the heavy mortgage which the crisis continues to place on the future, then it is obvious that we must guard against a union movement which would lack credibility. I am pleading for a union movement which is, first of all, democratic, and in which the rank and file have a say, not the way the ACV conducted itself in the Boel affair. And secondly, I am pleading for an achievable union movement: what we have to decide must hit the bull's eye. Power, credibility and achievability are three pillars of a union movement based on a sense of reality.

Question: Will we get out of the crisis?

Vanden Broucke: Definitely, I am convinced of it. If we remain in this capitalist system it will simply take longer, and then we will retain a type of society in which a certain level of unemployment will continue to exist. Such a picture of society obviously does not appeal to us.

Meanwhile, the crisis has taught us that the union is not allpowerful, and you may take it from me that this may well have been a sober awakening for some people. Secondly, from the crisis we are drawing an awareness of our international connectedness; such issues as unemployment and reduction of working hours go beyond the borders. I hope that at some time I may experience a European strike. As a matter of fact, our own economy is no longer all that much Belgian anymore; Flanders has a handful of capitalists left, Wallonia even fewer. We are in the grip of the multinationals, which are not very interested in the needs of the workers here.

Question: How do you see the relationship between union and party? You yourself have appeared on an SP [Socialist Party (Flemish)] list.

Vanden Broucke: Yes, but that was as a list pusher for the European elections, because Van Miert had asked me to. No, in this respect I am following in the wake of Debunne: a strict separation between party and union, even though by coincidence they have the same historical roots. A union is responsible for the workers, a party for the nation.

Question: You would prefer to see this administration disappear as soon as possible, wouldn't you?

Vanden Broucke: This administration is too rightwing; it analyzes the crisis through rightist considerations and tries remedies with a similar flavor. There is indeed no longer any growth, and if there has to be a moderation, then it should at least be implemented fairly. But this government doesn't do this; it puts all the burdens on the backs of the workers; I call that political criminality. There should not be an income reduction for the sake of pain alone, but to restore jobs. This is an employers' administration, which

blindly tries to restore the profitability of the enterprises, hoping that that will lead to a recovery. But it should be clear by now that they are not succeeding in this. This is why I would indeed prefer to see this team disappear as soon as possible.

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CSO: 3614/53

BENNED HANSEN NAMED NEW CHAIRMAN OF EMPLOYERS' ASSOCIATION

Copenhagen BERLINGSKE TIDENDE in Danish 16 Feb 83 Sect III p 1

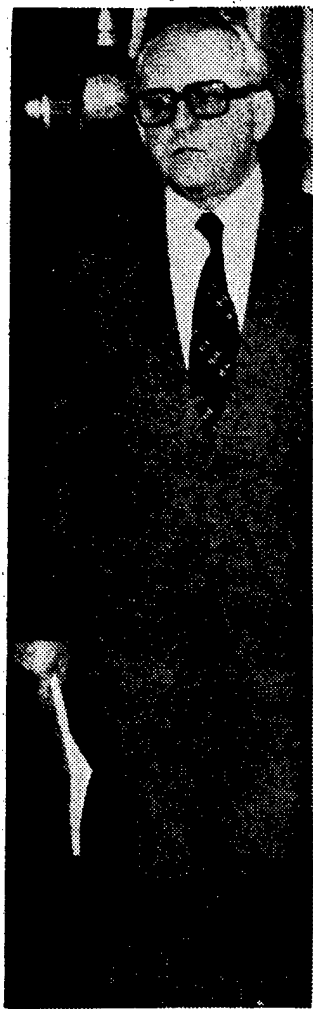
[Article by Ole Schmidt Pedersen: "Benned Hansen New Chairman of Employers"]

[Text] Director Benned Hansen of the Iron Employers' Association will take over the helm of the mother organization, the Danish Employers' Association [DA] on 19 March.

The present chairman of DA, Jens Thorsen, yesterday announced officially that he will leave the chairmanship at the regular general assembly of DA on 19 May. Jens Thorsen's decision has been known for a long time, and it has also been clear that Benned Hansen has been ready to be his natural successor. The last time the Iron Employers' Association held the chairmanship in DA was the period 1960-1970, when factory owner Svend Heineke held the position.

Benned Hansen has been the administrative director of F. L. Smidth since 1979. Furthermore he is a member of the governing board and representative of ATP [Wage Earners' Supplementary Pension Fund] and the governing board of the Wage Earners' Guarantee Fund.

The board of directors of DA decided yesterday, in accordance with previous practice, to appoint a committee which will designate suitable candidates for the chairman post and the post of deputy chairman. Benned Hansen is now the deputy chairman.



Caption: Civil engineer Jens Thorsen
will retire on 19 May, and
be replaced by director
Benned Hansen.

9287
CSO: 3613/65

FOOT-AND-MOUTH DISEASE CAUSING EXPORT LOSSES TO PIG FARMERS

Copenhagen BERLINGSKE TIDENDE in Danish 6 Feb 83 p 9

[Article by RB: "Serious Crisis for Danish Agriculture"]

[Text] Danish pig farming is entering its most serious crisis so far, caused by the EC's pricing system. Steady price declines mean losses in the billions, and when the weakened export resulting from the foot-and-mouth disease is added, the bankruptcy of the first large pig producers can be expected in a few months, according to the chairman of the Jutland Small Farmers' Cooperative Association, Hans Larsen-Ledet.

The trouble is with the settling price for pigs as compared with the EC base price. Friday the price fell one more krone per kg, corresponding to a loss of one and one-half billion kroner per year, and the price is thereby fully 4 kroner under the base price, which is fixed at 16 kroner per kilogram.

"It is an entirely unusual situation, that at this time of year we have not reached the base price, and this latest price decline is a shock for agriculture. Add to this that because of one single case of foot-and-mouth disease we have been excluded from the Japanese market for an additional 2 years. Now it can be said that the depression is seriously spreading in pig farming," said Larsen-Ledet.

"If these conditions continue for only 3 more months, a large number of the big pig breeders will go under. At the present time the farmers are losing over 4 kroner per kilogram, or about 300 kroner per pig delivered to the slaughter house, compared to the EC base price," said Larsen-Ledet.

The chairman of the small farmers wants to request Minister of Agriculture Niels Anker Kofoed to take the situation up during the coming price negotiations with the EC.

Also the pig breeders will direct an appeal to the minister of agriculture to recommend a purchasing arrangement for pigs. According to AVISEN Niels Ander Kofoed is considering meeting with agricultural organizations to discuss the worsening situation.

9287

CSO: 3613/65

TAMPELLA DIRECTOR LEO VATANEN DISCUSSES PROBLEMS

Helsinki HELSINGIN SANOMAT in Finnish 8 Feb 83 p 21

[Article by Jussi Jalkanen: "'Tampella Has Hit Bottom Here and Now'; Debts and Recession Set Leo Vatanen Thinking"]

[Text] Young general manager Leo Vatanen, 41, now heads Tampella. He has worked for the company for about 10 years and during that time not much light has shone on Tampella's economy. And Tampella is in over its head now too; its debt is growing and both main branches of its operation are in a slump.

Leo Vatanen said that Tampella has hit bottom right here and now. We could not have gotten any worse an account of the profoundness of the firm's economic distress from him.

"Our ability to withstand the recession has improved but, on the other hand, the slackening in demand would now seem to be stronger. Both our lumber and metal industries are in a state of shock," Vatanen explained.

According to Vatanen's calculations, by as early as the end of this year, when the economic recovery will also begin to be felt in Tampella's bones, there will be a need for the ability to take the offensive in addition to the ability to hold out. Vatanen estimates that Tampella will be going through the best time of its near future from the end of 1984 through the beginning of 1985: The metal industry will be doing well and the big Inkeroinen project will be grinding out paper money.

Debts Still Growing

And if things do not go well by mid-decade, there will be, as the saying goes, the devil to pay for Vatanen. At the present time Tampella is in debt to the extent of about 2.5 billion marks and the debt will continue to grow this year by several hundred million marks. That is a lot of money.

As far as we know, last year Tampella's business volume was 2.3 billion marks. And, reduced by about 20 percent, its financial stability does not provide very much in the way of emergency reserves.

Vatanen said that Tampella is not a crisis-stricken company. "If a company sees the threatening factors taking shape but can do nothing about them, then it is in a crisis. That is not the case with Tampella. In 1975-1976 those structural repairs that have now created the basis for an economic upswing once the recession is over were considered and carried out. In 1981 we demonstrated that we have the ability to pull out of this slump," Vatanen said.

The year 1981 was an exceptional one for Tampella since the economic outcome was "almost good." The satisfactory year 1980 also in part provided a breathing spell.

When asked about it, Vatanen replied that Tampella is deeply in debt, but he denied that it was overindebted. "Next year the debt will start to diminish, both absolutely and relatively."

Tampella's big Inkeroinen project will go into operation this spring. The new mill's chief product will be newsprint, of which there is no worldwide shortage, at least not at present.

"When the company thought of scheduling the Inkeroinen project, it was evident that it would be in a slump this year. They thought that things would be better by 1984," said Vatanen, who also believes that the world market for newsprint will achieve a stable balance in a normal economic situation.

Those who expect Tampella to be restored to a stable situation will have to wait for a long time in the future for it to happen as well. Vatanen reiterated that the company organization is now in good shape. "Business activities will, of course, involve the continuous selection and specification areas to concentrate on. As a matter of principle, I don't speak of matters about which I myself am not certain nor for which I have no feeling that the time is right.

"Our activities will be based on long-range planning and any risks involved are those that exist outside the company," Vatanen reflected.

According to Vatanen, the treacherous outside world offers promises as well as risks. The company sold its old cardboard-manufacturing machines a couple of years ago, but it will have to wait for any new interest in cardboard to surface.

"A 2-to-3-year project is under consideration," Vatanen said, and admitted that there is "at the very least sufficient production capacity" throughout the world in this branch of the industry.

Tampella is also a sawyer and its ideology is the same as that of the nation's other big sawyers: If timber is being sawn anywhere, at least it will be done with our modern saws....

Tamrock's faith in the future is founded on somewhat the same idea: Wells, in the United States, for example, cannot be completely shut down. Last year's sharp decline of the company's pride and joy, Tamrock, which began in the spring and was due to the collapse of raw material prices, brought Tampella's problems to a head.

"The demand is now gradually setting itself in motion," Vatanen said.

Relations between Jaakko Mattila, who has gained a reputation as an original manager and helped create Tamrock's reputation, and the new young general manager have been referred to as formal.

"That's not so. We have worked together and will continue to do so for a long time to come. Our management team works together as a tightly-knit group. Different kinds of individuals are its strength," Vatanen said, and denied that there might be any differences of opinion on company policies.

During the past decade Tampella's management team has been made up of many different combinations of people. The only "old hands" still on Vatanen's team are Mattila and Aake Lehmus, who has been shoved into the textiles and plastics department. Erkki Kivimäki heads the timber department, Esa Mattinen the administration and Ingmar Olsson economic affairs.

Vatanen was promoted to head the company from the post of assistant general manager. For most of the time he has been with Tampella, he has been active as his predecessor Nils G. Grotenfelt's right-hand man in the management of the firm's economic affairs. The time he spent as Grotenfelt's assistant and his nearly sovereign command of company figures brought Vatanen into close contact with the company's board of directors and he became Grotenfelt's successor when the latter retired from Tampella's board of directors.

Vatanen's experience as a manager responsible for getting results is attributable to his having headed Tampella's lumber industry. He believes that as general manager he will not have to reduce Tampella to just a lumber company and that Tampella will in the future too operate as a diversified industry company. At this point he even wants to remain silent on the proposed sale of its textile division to Finlayson: "We've been talking about that for 10 years now." Vatanen reminded us that textiles account for only 7 or 8 percent of Tampella's sales volume. "And half of that involves items other than basic textiles."

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CSO: 3617/75

ECONOMY MOVING IN OPPOSITE DIRECTION FROM WORLD TRENDS

Helsinki HELSINGIN SANOMAT in Finnish 8 Feb 83 p 19

[Article by Antti Blafield: "Finland Proposes Growth Strategy to OECD, but Consequence Is a Crusade Against Monetarism"]

[Text] Finland has abandoned its earlier role of observer in the OECD and has now set out on a crusade against monetarism.

"The situation was so bad that we had to react," Pertti Sorsa, the chief of the Finance Ministry's National Economy Department, told us.

A huge Xerox machine dominates the anteroom of the National Economy Department of the Finance Ministry. Within earshot of the humming of the machine, department chief Pertti Sorsa sits with his back to a picture of a rather helpless seeming maiden protecting her virginity with a relatively suggestive veil.

Pertti Sorsa gazed at the first freezing cold day of the year and recalled a certain Wednesday in November in Paris. At that time, as head of the Finnish delegation, Sorsa delivered a speech before the OECD Economic Policy Commission in which he counted up the wormy figures on the monetaristic economic policy which Ronald Reagan and Margaret Thatcher, among others, pursue.

On one side the United States and on the other the French delegations and at his side his former superior, the current director of the Bank of Finland, Sirkka Hamalainen, Sorsa said:

"For the past few years the basis of our economic policy has been the eradication of inflation, once and for all. What has this resulted in? Considering the hitherto unforeseen severity and duration of the present recession, we can maintain that the results as regards the evolution of prices have not been very satisfactory. Quite the contrary, there is clearcut evidence that the link between inflation and employment has been seriously interfered with. For example, the present evolution of prices in the OECD countries is only marginally better than between 1976 and 1978, but unemployment has doubled. We may further ask how permanent the reduction in inflation is, since a significant portion of the latter can be explained by the low level of raw material prices."

"We Intended to Alarm You"

"We intended to alarm you. We were prepared in advance and got our chance to speak before the Economic Policy Commission at the end of the first day of the conference.

"In general we in Finland have tried to be less active, but this time the situation was so serious that we had to react."

The real heart of Pertti Sorsa's speech was to have been a proposal that the OECD should resolve to outline a "comprehensive recovery strategy." A joint meeting of the EFTA countries held before the speech and conversations engaged in in the corridors, however, resulted in the proposal's being formulated in such a way that "alternative scenarios" might also be outlined in lieu of a strategy.

That is, the heart of the speech was a neutral country's severe criticism of monetarism.

Big Crank Goes Round and Round

The impetus for Sorsa's speech is to be found in the Nordic finance ministers conference held at the beginning of November in Turku, which was held before the OECD Economic Policy Commission conference. There it was agreed that co-operation in OECD circles would be intensified. "Even then, as the host country for the conference, we felt it to be our duty to retain the initiative in our hands," Sorsa explained.

Finland's OECD delegation in Paris also paved the way for Finland's presentation in October and November. The delegation collected materials and sent out preliminary feelers.

So now the OECD Secretariat is preparing "simulation models," that is, it is inserting different sorts of variables, like interest rates, foreign exchange rates and different kinds of budget policy measures into the /big overall economic model/ [in initial caps].

Then /the big crank/ [in initial caps] will be turned and the result of each economic policy line will suddenly tumble out of the machine.

If variables desirable for Finland were to be inserted into the model, foreign exchange coefficients would be included in terms of which overvaluation of the dollar would be eliminated, the real international interest rate would be lowered and the public economy could support the development of the economy.

This is what Finland actually left Paris in November to find, but did not quite succeed in doing. That is to say, aside from the economic policy ratios Finland favors, a tight public economy, a higher interest rate and other foreign exchange coefficients are being fed into the model.

Norway Stuck Its Nose into the Matter

When the OECD Economic Policy Commission meets the next time in April, it will decide whether a "growth strategy" that could be presented to the OECD finance ministers who are to meet in May can be put together out of the "scenarios."

"The policy would be an exceptionally important instrument. It would emphasize the fact that economic policy cannot be looked at from one country's point of view."

Finland is nowadays contributing still more than before to the policy. Prime Minister Kalevi Sorsa spoke forcefully of this at both the socialist parties summit meeting in Paris and the economic leaders seminar in Davos. Now the unnoticed beginning has been turned into a matter of prestige.

Finland's in part increased activity, its forceful presentation of the matter, stems from the fact that Norway presented the OECD with its own policy paper in mid-January.

The Finns are annoyed with the Norwegians for sticking their noses into the matter because that to a certain extent pulled the rug out from under the Finnish initiative, at least insofar as it would have been a joint Nordic paper.

"What the Norwegians' motive is remains unclear," Sorsa said. "We were not informed in advance, but on the same day that Foreign Affairs Minister Sven Stray presented the paper in Paris the ambassadors of the Nordic countries were invited to meet in Oslo and were told what was afoot."

In their own 10-page paper the Norwegians stressed the importance of improving profitability, increasing productivity and stimulating productive investments. A mild criticism of monetarism is included in the Norwegian view that demand could also be stimulated. Norway stresses the fact that economic policy would be simultaneously applied in a jointly agreed on manner in many OECD countries.

United States Does Not Believe in Forecasts

The Finns, however, now have the initiative in their hands and they tried to further confirm the fact in Paris and Davos.

"On the OECD Economic Policy Commission we sit between the United States and France, and France has backed us right from the start," Sorsa reminded us.

Sorsa also regards as a victory the fact that all the EFTA countries with the exception of Switzerland have backed Finland's initiative. "And Switzerland did not oppose it either, but remained silent," Sorsa said. According to him, that too is a victory since the Swiss as a matter of principle do not back any joint presentation whatsoever.

The U.S. delegation most violently opposed the Finnish initiative.

The main U.S. claim was that OECD forecasts do not work anyway because they do not take into consideration the effects of the waiting period, which at least in the United States considerably affect the situation.

"The OECD cannot publish views on which the big countries have completely different opinions," Pertti Sorsa explained the inaccuracy of the forecasts.

"The big powers can considerably influence the contents of the forecasts.

"If the OECD Secretariat were independent, the forecasts would be different.

"It is true that, according to some reports, OECD forecasts have not been any better than guesses. It must, however, be borne in mind that there are major unpredictable factors, like, for example, the price of oil.

"In the OECD, however, making forecasts is only a small part of their activities. However, the economic policy analysis made by the organization and the economic policy reviews of the member countries have been very useful and high-level reports."

Denmark Ignored

"If unanimity were reached in the OECD, it would encourage those countries that still have opportunities to adopt recovery measures.

"Up to now they have been overly cautious and have gone from the frying pan into the fire since budget deficits increase anyway."

Finland has still been able to pursue a policy of recovery. "Here, we have not, however, relied solely on the productive effect of expansion of the public sector; rather, over two-thirds of the 170,000 new jobs created between 1978 and 1982 were produced for the private sector. This has also been visible in the development of the economy.

"In Sweden the handling of employment is 100-percent based on an increase in the number of public employees."

Applying a recovery policy is, nevertheless, now more difficult since the national debt has rapidly grown. "In 1984-1985 there will certainly be at least some sort of economic upswing. We must make the best possible use of it and during its course reduce the national economy deficit. Otherwise it may slip imperceptibly out of our hands.

"We have struck at the right time. The ever worsening economic forecasts gathered during the fall and the worldwide bank crisis have created the right mood. Last spring Denmark proposed the same thing, but it was received with only shrugs of the shoulders."

However, the same thing can happen with the OECD's big model as did to the doctor who painted portraits in Thomas Mann's "Magic Mountain": When he got one part right, the overall picture was distorted.

"It Is to Finland's Advantage"

Finnish Employers Association director Matti Korhonen feels that it is to Finland's advantage to present its own paper to the OECD.

"Finland has a good reputation. Among others, Norway has messed up its oil operation. The country's industrial capacity has dropped and industrial production is at present even lower than it was before the first oil crisis in 1973-1974."

EC chief economist Michael Emerson, who with others visited the Finance Ministry and the Finnish Employers Association, also came to confirm Finland's good reputation last week.

Emerson regards Finland as one of the rare, favorable exceptions in West Europe where the public expenditure economy was brought under control in the 1970's while they were at the same time able to keep the tax rate in check.

Emerson presented a growth strategy as beginning with the fact that the different countries should simultaneously start to invest in basic structures like transportation networks and communications services. If these investments were simultaneously set in motion in many countries, a demand would be created that would more widely stimulate world trade.

World Trade Is a Locomotive

According to Matti Korhonen, this would, properly understood, be Keynesianism. "At the present time the engine of world trade is not running and world trade has always functioned as the locomotive of growth. It used to increase faster than average economic growth."

Last year for the first time both the volume and the value of world trade dropped. After the first oil crisis the volume of world trade dropped, but its value continued to grow.

"It now seems that this year too both the volume and the value will drop.

"After World War II it was assumed that the Bretton Woods system would achieve growth," Korhonen said. With it fixed foreign exchange rates were created, but in the early 1970's the United States terminated the agreement.

"Now we must reach a new agreement on foreign exchange and interest rates. We are quite unanimous on this throughout the world," Korhonen said.

Korhonen labels talk of going back to the gold standard "alchemy." "I believe in agreements that are based on common interests."

Both the EC's Emerson and the Finnish Employers Association's Korhonen see favorable signs on the horizon.

These are a decline in raw material prices and a drop in interest rates.
"There must be some more well-founded reason for the stabilization of raw material prices because, for example, the Falklands crisis, the war between Iran and Iraq and the Lebanese War have not affected price levels."

Emerson also told the Finns that in West Germany, for example, interest rates have been cut in half during the past year and a half.

"We may be facing 'reflation.' In Finnish this is 'liberation'."

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BRIEFS

USE OF ROBOTICS INCREASING—Tampere (HS)—According to a Job Safety Administration report, a spread in the use of industrial robots has produced new problems with regard to job safety. Job safety has, however, also been promoted with robots since they are used on dangerous, strenuous and monotonous jobs. The use of robots is rapidly increasing. There are now 150 robots in industrial use and their number is annually being increased by a third. Robots are used in industry to move, machine or finish and assemble or install parts. [Text] [Helsinki HELSINGIN SANOMAT in Finnish 7 Feb 83 p 21] 11466

CSO: 3617/75

GOVERNMENT PRESENTS JOBS CREATION PLAN

Oslo AFTENPOSTEN in Norwegian 12 Feb 83 p 5

[Article by Terje Svabo]

[Text] Some 10,000 new student openings over 2 years; 10,000 new apprenticeship contracts a year for the next 3 years; 10-15,000 new temporary municipal jobs; 2,000 new training positions for young people; 2,000 new state and municipal jobs for older workers; an early start on some big investment projects that can create work in the construction branch.

Those are the major points in the government's package of new measures to combat unemployment, which was presented to the central committee of the Conservative Party by Municipal Affairs Minister Arne Rettedal in Tonsberg yesterday.

This confirms that the government will soon present measures that will reduce unemployment in Norway relatively quickly.

The new measures will involve substantial public outlays, but cabinet minister Rettedal put it this way yesterday: "Unemployment is not just a question of the economy, it is just as much a question of social responsibility."

In his opening speech, Municipal Affairs Minister Rettedal stressed that the state will provide subsidies for the municipalities in order to produce a rapid reduction in unemployment. Rettedal emphasized that municipal economies must not be strained further.

The philosophy behind the government's new measures to combat unemployment is that these measures now being implemented should work quickly and be of a temporary nature. The government does not want to take steps that might check developments when there is another upward trend for business and industry. Minister Rettedal is of the opinion that the steps proposed by the Labor Party might restrict the private business sector too much in the future, because the Labor measures lean too heavily on a permanent increase in public spending.

The municipal affairs minister had this message for the Conservative central committee concerning the recent debate on unemployment:

"It is a mistake to think that the stress on reducing unemployment began with a debate in Storting. That is necessary, but that is not what produces real jobs.

"In my view, this will be determined primarily in the current situation by the concrete planning and implementation carried out by the towns and counties following the initiative launched by the government. It is this practical activity that confirms the forceful moves the government has an obligation to make. That is a confirmation that is particularly important in relation to the unions prior to the contract settlements," said Rettedal.

Rettedal described the current unemployment figure, 67,400 at the end of January, as disturbingly high. He pointed out that the government has taken the initiative to bring about international measures, but he stressed that we still have the main responsibility.

He emphasized the point that unemployment should be attacked primarily by creating new jobs in industry and in private and public services and that action must be taken quickly.

"We cannot wait for the effects of the economic upturn," the municipal affairs minister pointed out.

The government believes quick steps are needed when it comes to young people, something that is also apparent from the measures that were presented by the municipal affairs minister. He said further that a large number of temporary jobs should be created in the towns and counties.

"The consequence of this will be that unemployment can be checked relatively quickly. The temporary jobs will come in areas where we can plainly see that there are many things that need to be done. Viewed in isolation, the measures will be expensive, but compared to the payments society has to make in any case, the amounts will be relatively modest," said the minister of municipal affairs.

The following concrete measures were presented by cabinet minister Rettedal:

The government will present proposals that will establish 10,000 new student openings over 2 years.

The government has set the goal of having 10,000 new apprenticeship contracts signed each year for the next 3 years. The increase will be based on three main elements--an expansion of existing arrangements and trades, the establishment of apprenticeship contracts in new trades plus entirely new arrangements combining apprenticeship and subsequent work contracts.

Rettedal said it would be necessary to substantially increase the subsidies businesses receive in order to implement these plans. The municipal affairs minister did not find it unreasonable for the state to spend as much on an apprenticeship position as it does for an average student.

The government also wants to create 10-15,000 new temporary municipal jobs. The ministry has asked the municipalities to plan their own measures.

The government sees a great many tasks that can be done in the towns and counties on a temporary basis. These include improvements and repairs and administrative and service jobs.

The economic contribution from the state will be substantial. Rettedal estimated that direct subsidies for jobs would be somewhat higher than the social payments to unemployed industrial workers and an operating subsidy would also be given to municipalities implementing such measures.

The state will also move up certain investment projects that could create work in the construction branch. These are projects for which planning is already completed and that are scheduled for implementation, but now they will be started earlier in order to create employment.

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GOVERNMENT REPORT WARNS OF PROBLEMS IN NON-OIL SECTORS

Oslo AFTENPOSTEN in Norwegian 12 Feb 83 p 2

[Editorial: "The Route We Must Take"]

[Text] The only truly effective step against rising unemployment is to recreate competitiveness in mainland Norway. But that recipe is based on several components. Some of them--undoubtedly the most important in our current situation--are mentioned in the "Economic Review" from the Central Statistics Bureau. Slower growth in costs and prices, conversion in the sector exposed to competition to more viable activities and increased domestic demand aimed at the protected branches.

No one can doubt any longer that our sky-high cost levels are a major reason why people on the open market--at home and abroad--buy less of the things we produce. This has led to frightful unemployment in this country. Consequently, the Central Statistics Bureau makes it quite clear that price and cost levels must be reduced.

The government has done its part in the way of general business measures by adopting a relatively tight financial policy and--not least--by proposing tax relief measures that will make it possible to arrive at wage settlements with lower wage demands than would otherwise have been the case. Increased profitability in businesses and firms subject to outside competition calls for our holding cost growth in line in both the short and the long term in relation to the countries with which we are competing. This emphasizes how important it is for all groups to show restraint during the contract settlements.

But lower cost growth is not enough in itself to guarantee a reasonable increase in production in firms subject to competition in the long run. Increased productivity and a greater ability to convert and create new products must be regarded as equally important components in our efforts to strengthen competitiveness. The Central Statistics Bureau says flatly that the problems in the sector subject to competition can only be solved through conversion. But of course this cannot be accomplished overnight, which means that in the short term we must put even greater emphasis on restraining the cost level. We must adapt ourselves to the point where

Norwegian goods and services are not more expensive than those our foreign competitors can offer.

In other words our competitiveness depends on a long list of factors and we think it is correct to stress demands for conversion and creativity--as both the Central Statistics Bureau and others have done. This is even more necessary if we are to be able to compete in the time ahead with our high wages. If we are to beat out the competition, we must stop thinking in the same old groove--we must be willing to travel new paths. To put it another way, determination is needed in order to succeed. Determination and optimism can play a decisive role.

The president of the Norwegian Industrial League, Leif Frode Onarheim, gave a very soul-searching speech to the Polytechnic Society earlier this week, in which he said that many of the basic principles we have had in Norwegian industry were simply due to weak firm management. According to the president of the Industrial League, this weakness has consisted primarily in an unwillingness on the part of the management to increase productivity. Managements have been unwilling to close down operations that were not profitable enough despite all efforts. They have not turned soon enough to new and more profitable areas.

This description is undoubtedly accurate--as far as it goes. But of course one cannot underestimate the importance of the basic economic conditions under which firms work and for which the political authorities are responsible. There is a need here for improved cooperation. For a new surge in Norwegian industry and business will require an ability on our part to work on the problems together.

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CSO: 3639/75

PCE AGAIN BLASTS GOVERNMENT ECONOMIC POLICY

Madrid EL PAIS in Spanish 18 Feb 83 p 13

[Text] Yesterday, the PCE Executive Committee discussed a report on the socio-economic and union situation; the report, containing harsh criticism of the government's policy, will now be submitted to the party's Central Committee. Among other items, it is asserted that the initial measures taken by the Executive Branch are aimed more toward a stabilization plan than toward a plan of solidarity against unemployment.

The document studied by the PCE directorate criticizes the increase in oil prices inasmuch as that increase implies an increase in indirect taxes, a 13 percent increase in the minimum wage and pensions, representing a loss in purchasing power and in certain aspects of social security, according to the EFE.

It also criticizes the fact that the government is aiming toward a reduction in public spending--the established fiscal policy--to stress the role of indirect taxes; it further criticizes the Executive Branch's restrictive position with regard to collective bargaining.

The document begins with an analysis of the international economic situation in which it expresses the PCE's concern over the deterioration of that situation and asserts that a relaunching of the American economy cannot be expected. The PCE presents sectorial and worldwide alternatives to the government's policy, oriented toward discussion of the General State Budget, in which the communists will propose a strengthening of the public sector.

In this connection, the document proposes the establishment of a public-investment fund of 300 billion pesetas (at the current rate) in excess of the budget's normal investments, which, according to the PCE, will create 135,000 jobs. It also expresses the need to reform social security and gradually delve more deeply into that problem.

In the sphere of union activity, the document states that we should pursue the objective of full employment, the re-industrialization of Spain, greater union representation and power in companies and the maintenance of purchasing power. At another point, the document asserts that the labor movement should be mobilized to cope with the policy of the CEOE [Spanish Confederation of Business Organizations] and the extreme Right, and it proposes a second round table of negotiations between the government and social forces to establish a 3-year social and economic plan dealing with the problem of creating employment.

With regard to the Interconfederal Agreement, it states that the PCE's task in the next period should be to mobilize the workers in companies to defend the purchasing power and clear up the wage question. It also expresses the concern of the communists over the government's tendency to promote a unionism of the bureaucratic and administrative type.

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CSO: 3548/183

DISPARATE BUSINESS VIEWS ON MADRID ECONOMIC POLICY

Madrid EL PAIS in Spanish 28 Jan 83 p 49

/Article by Joaquín Estafanía Moreira/

/Text/ Discrepancies in the types of criticism directed against government economic policy intensified yesterday among business circles. While Claudio Boada, president of the National Hydrocarbons Institute /INH/, was stating that he adopted as his own all measures taken by the minister of the economy and treasury, José Antonio Segurado, who is president of the Madrid employers' association, broke the "hundred-day truce" enjoyed by the socialists by criticizing almost every aspect of their administration. On the other hand, sources absolutely representative of the CEOE /Spanish Confederation of Business Organizations/ were explaining the need to allow more time before making an overall assessment.

Claudio Boada, the main business figure in the dialogue with the new government, with which he collaborates from his post in the INH, declared yesterday that he considered the steps taken so far by Miguel Boyer, the "superminister" of the economy, to be "correct, orthodox, and objective." Boada said that if he were in that post, he would have made the same decisions. He made his statement on National Spanish Radio on the occasion of a conference organized by the Association for Management Progress /APD/, on the topic of "How our businessmen see the Spanish economy," at which a thousand or more businessmen have gathered yesterday and today to compare their opinions with those of the new president, Felipe González, as well as those of Miguel Boyer, minister of the economy and treasury, and Carlos Solchaga, minister of industry and energy. Boada is simultaneously president of the INH and the APD, and is also a member of the Businessmen's Circle.

At nearly the same time, the board of the Independent Businessmen's Confederation of Madrid /CEIM/, speaking through its president, José Antonio Segurado (until recently the vice president of the CEOE), published the first serious criticism of the socialists' program from business sources. Segurado commented one by one on each step taken so far (devaluation, increases in the cash coefficient, emergency budget measures, increases in taxes, temporary hiring,

reduction of working hours, etc.), and arrived at the conclusion that they were not the best means to encourage employment. "Unfortunately," said Segurado, "and this is not the socialists' fault, there has been a new increase in unemployment, which means that the legislature's goal of creating 800,000 jobs has now become a need to generate 1,085,000 new jobs."

The president of the Madrid employers' association reminded his listeners that Joaquín Almunia, who is now the minister of labor, said last June that the socialists had already prepared a budget for 1983, "and yet, day after day, we hear nothing of those budget plans. We see a lack of activity and a failure to define the larger goals, and among the latter, for example, it would be nice to know what is happening to the role of domestic and foreign demand, or the kind of leadership that is to be asserted by the public sector, and what expenditures or instruments are going to have priority in the government's economic policy; what set of criteria will be adopted for monetary policy, foreign indebtedness, and exchange controls; and what the housing and energy policies will be . . .) Only hours later, Miguel Boyer, in a plenary session of congress, cleared up some of these doubts by presenting the government's macro-economic report and assessing the situation his government inherited from the previous one.

Parceling out Poverty

Max Mazim, another leader of the Madrid employers, explained that "we must break the vicious circle in which we have been caught for the last several years, or we must go from bad to worse. We are going to be parceling out poverty instead of creating and distributing wealth."

In spite of Segurado's explicit claim that "there is no estrangement between the CEOE and the CEIM," sources very close to business leadership said that it is too soon to judge the government's programs, and that the psychological "hundred-day truce" would be honored. Ferrer Salat and Felipe González are in constant dialogue, along with José María Cuevas and the chief economic ministers of this government, a dialogue which business does not wish to see broken with public and broad-ranging criticism. Nevertheless, pessimism toward government policy is palpable among business representatives, especially in the face of the problem of reducing public spending, which businessmen consider the cornerstone of any real economic recovery.

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GOVERNMENT EMPHASIS ON CURBING PUBLIC DEBT

Madrid EL PAIS in Spanish 28 Jan 83 p 1

/Text/ Yesterday, at a plenary session of the congress, the government presented its anticipated macroeconomic report for 1983. Miguel Boyer, minister of the economy and treasury, who spent part of his speech quantifying the economy inherited by this administration, explained his projected economic policy, which consisted of keeping the public deficit to 6 percent of GNP (which is identical to the 1982 percentage), achieving 2 percent growth (as compared to 1.3 percent in the previous fiscal year), 12 percent inflation, and a 13 percent rise in disposable income, with a 2 point margin of variation in either direction.

The lack until now of such a macroeconomic statement was criticized by employers and other political parties, to the point of preventing early progress in this year's collective bargaining between businessmen and unions.

Only yesterday, José Antonio Segurado, president of Madrid's employers' association and until recently vice president of the CEOE /Spanish Confederation of Business Organizations/, launched the first serious attack on socialist economic policy since the electoral victory of the PSOE /Spanish Socialist Workers Party/, an attack based mainly on the "failure to define the larger objectives." Up to now, Segurado's position has not been supported by the majority of business leaders, who have preferred to respect the "hundred-day truce" before issuing any solid opinions on the government's economic policy.

Boyer announced to the congress yesterday that 1983 would be a very bad year for the Spanish economy, especially the first 3 months. Among the specific measures to be adopted, the most outstanding is the increase in the tax burden by one point, which will be achieved by implementing a new scale for the withholding tax, through minor adjustments to the tax on business transactions, and through recuperation of petroleum income.

In the debate aroused by the decree on emergency measures regarding budgetary, financial, and tax affairs, Miguel Roca, spokesman for the Catalanian Minority, asked when the general 1983 budget would be proposed. Boyer answered that this date could no more be given "than we can give the date when the problem of cancer will be solved." The decree was approved with favorable votes by the PSOE and the CDS /Democratic and Social Center/.

GENERALITAT TO BAIL OUT REUS COOPERATIVE

Madrid EL PAIS in Spanish 18 Feb 83 p 41

[Text] Andreu Misse, Barcelona--In the near future, Generalitat's Executive Council will submit to the Catalanian Parliament a bill calling for aid to the agrarian cooperative sector involving the issuance of 2 billion pesetas of public funds to refinance the debts of cooperatives in a state of crisis. The new bill is principally directed toward the Agrarian Cooperative Union (UAC) of Reus, with more than 120 local cooperatives and an overall sales volume of almost 8 billion pesetas, which is expected to receive 1.6 billion pesetas to offset part of its indebtedness of 2.6 billion pesetas incurred by that organization through annual losses of 300 million, a heavy financial burden.

Jordi Planasdemunt, adviser to the Department of Economy and Finance which drew up the bill, made the granting of this assistance contingent upon a series of commitments to be assumed by the cooperatives, aimed at inducing them to seek alternative solutions to their problems and simultaneously guarantee proper use of the public funds.

UAC's situation is particularly delicate when one considers that most of its indebtedness was incurred in dealings with the Rural Provincial Bank [CRP] of Tarragona, headquartered in Reus, which caused the Bank of Spain to keep a close watch on the CRP. After an investigation made last summer, the Bank of Spain ascertained that the provincial bank is in healthy condition, but it nevertheless initiated three lawsuits involving the administrative sector.

The issuing bank and adviser reached a solution which meets with the approval of Miguel Boyer, the government's economic vice president. The solution stipulates that Generalitat will act as intermediary and assume responsibility for financing the debts of the cooperative while reducing the risks incurred by the savings bank.

The procedure agreed upon is the following: with the public funds issued, Generalitat is to be responsible for UAC's debts which are to be paid off by the cooperative within a period of 25 years at a low interest rate, between 5 and 6 percent, and, simultaneously, the CRP is to underwrite a like amount of the public funds. This threefold give-and-take formula

is expected to enable the UAC to reduce its annual finance charges by more than 50 million pesetas inasmuch as the current interest for its credits is 13.5 percent; it is also expected that the UAC will be relieved from the burdensome situation of the annual renewal of its loans.

Planasdemunt Recommends

Jordi Planasdemunt did not conceal the fact that "this operation is definitely a matter of subsidizing the cooperatives," which will cost Generalitat some 500 million pesetas in compensating for the difference in interests during the 25 years of their duration. However, he insisted that the mechanism being used is forcing the cooperatives to make serious commitments "which obliges them to administer the public funds received with a maximum degree of responsibility."

In this connection, the economic adviser has recommended a series of measures to be adopted by the UAC to improve its economy. Among these are the allocation of 1 million pesetas to each of the 120 cooperatives which make up the UAC, of which 81 million has already been collected, and the handing over of 1 percent of the value of the sales made by the cooperatives to the UAC during a period of 10 years; these sums would be paid back at the end of the period, and the weakest sectors, such as that of wines, would be liquidated.

The UAC's increasing indebtedness to the CRP came to the attention of the Bank of Spain during a regular investigation made last summer when it discovered that, as of that moment, the debts amounted to more than 1.6 billion pesetas and that this was creating an extremely precarious situation for the savings bank.

Investigation of the Issuing Bank

Shortly after the investigation, the Bank of Spain initiated three administrative-type lawsuits directed, respectively, against the CRP, the former board of directors, composed of the same individuals as those of the UAC, and Jordi LLuis, director of the savings institution.

Some time later, the issuing bank sent a letter to the UAC management in which it was pointed out that the excessive indebtedness had probably been caused by possible irregularities in the behavior of the UAC directors, "not very respectful of the prevailing legality."

In the conversations held with representatives of the bank, the one who appeared principally responsible for poor administration was Josep Roig Magrina, former sales director and Generalitat's former agricultural adviser, who suddenly fled to Brazil with his secretary in an impetuous burst of passion which, significantly, began when the organization was first investigated.

Nevertheless, aside from the resolution which pertained to lawsuits at the time, a spokesman for the Bank of Spain emphasized that "this institution has not intervened nor has any intention of intervening, since the only problems encountered were those stemming from indorsements for which there were inadequate guarantees."

The former board of directors was presided over by Julian Olivella Rafols, simultaneously president of the Cooperative of Arboc del Penedes. Juan Sole held the position of vice president; Feliciano Cochs Cogull acted as secretary, being at the time president of the Cooperative de la Selva, one of those which most benefited from the UAC; and the current president who held the position of treasurer.

Jordi Lluís, director until now, was suddenly removed from that position by the new board of directors elected on 29 August 1982. He is presently enjoying a long vacation, and sources close to the UAC speculate that his case might be settled with a substantial severance payment in recognition of services rendered.

8568

CSO: 3548/183

STEEL EXPORT BELOW QUOTA FOR 1982; REMEDY SOUGHT

Madrid EL PAIS in Spanish 26 Feb 83 p 43

[Text] Madrid--Exports of Spanish iron and steel products to countries of the European Economic Community (EEC) in 1982 fell below the quota established each year to protect the EEC market from any excess steel coming from Spain, according to preliminary estimates provided by the Secretariat of State for Relations with European Communities.

Spanish iron and steel exports included in the category subject to restrictions (Ceca) had a maximum ceiling of 780,000 tons in 1982. Nonetheless, during the period between January and November of that year, Spain exported to the Community 526,000 tons of "Ceca" iron and steel products, only 79 percent of the quota. Thus, the ceiling was not reached, although final figures for 1982 are not yet available.

The Self-Limitation Agreement for Spanish exports, signed in 1978 in a spirit of understanding toward the difficulties the EEC was having in the iron and steel sector, has turned out to have adverse ramifications, and has produced "a progressive and notable reduction of Spanish iron and steel products to the Community," while EEC exports to Spain doubled between 1976 and 1981, according to the sources consulted.

In the latter year, EEC steel sales to Spain exceeded 1 million tons, half of which corresponded to hot strips; however, Spanish exports of "Ceca" iron and steel products totaled 616,000 tons. In 1981, Spanish exports also fell short of the quota, which was then set at 754,000 tons.

For 1983, the EEC has proposed an export quota on Spanish "Ceca" products of 753,000 tons. This amount has not yet been accepted by Spain. Among other things, the EEC wants to cut to 70,000 tons the amount of broad flanged beams coming from Spain, while this country is requesting 100,000 tons. EEC sources in Brussels emphasize the decline in internal demand for iron and steel products, and state that demand will contract further throughout the year.

Increase in Exports

Sources close to the iron and steel industry believe that developments in iron and steel trade between Spain and the EEC countries "are a reflection of Spain's weakness in carrying out its negotiations" with the EEC. In the Community, however, the arguments are reversed, and it is alleged that Spain has tried to make up for the internal crisis in its iron and steel market with a spectacular export effort.

According to sources at the Secretariat of State for Relations with European Communities, it is unthinkable that the restrictions imposed by the EEC on Spain in the iron and steel sector should continue once this country joins the Community and accepts EEC policy on that matter. In this regard, the EEC has not yet provided specific figures to explain its position on Spain's integration into the iron and steel sector.

Sources at the Foreign Ministry hope that the negotiations for Spain's entry into the EEC in the area of iron and steel can be carried out fully after the iron and steel reconversion plan is approved; that plan is being drawn up right now. The Spanish iron and steel reconversion program, designed to adapt to market conditions and increased productivity without expanding production capacity, is being carried out with a view to compatibility with the EEC policy to limit steel production. Spanish government officials rejected any /anticipatory actions/ [passage enclosed in slantlines printed in boldface] in the iron and steel sector, in the sense of cutting payrolls or productive capacity, until the EEC adopts specific commitments with respect to Spain.

The EEC plans to reduce its productive capacity from 50 million to 30 million tons of raw steel by 1985, and to reduce employment in the sector by 150,000 jobs. These cutbacks will have diverse repercussions for the countries of the Community. In this context, it is foreseeable that the EEC may try to force Spain to cut its capacity as much as possible.

8926

CSO: 3548/212

MADRID TO PROPOSE FREE ZONE STATUS FOR CEUTA, MELILLA, CANARIES

Ceuta and Melilla Concerns Outlined

Madrid EL PAIS in Spanish 23 Feb 83 p 1

[Text] Spanish Foreign Minister Fernando Moran announced yesterday in Brussels that in March or April the government will explain its position on Ceuta, Melilla and the Canary Islands in connection with our country's membership in the European Economic Community (EEC). The initial position, given the current fiscal privileges and customs system which these territories enjoy, is to request a statute for those North African cities and the Canaries similar to that which Gibraltar has in the EEC. Thus, they would be maintained as free zones within the EEC, with a tariff resembling that of third countries, in order to preserve their present fiscal privileges.

The Spanish Government, moreover, will require guarantees that the matter of Ceuta and Melilla will not be imposed as a condition for attending the scheduled conference of Western Mediterranean countries proposed by France, where the problems posed by the expansion of the European Economic Community will be discussed. This was stated yesterday by Fernando Moran at the end of his 2-day visit to Brussels. A new Spain-EEC negotiation session was held there without any section being finally agreed upon or any calendar being set.

Residents of Ceuta and Melilla know full well that Spain's entry into the EEC will have a negative impact on their economies, which are characterized by a free port and a special customs system. Complementary measures are under study to mitigate these negative effects. In the Canaries, where the autonomous government has already been informed of the advancement of the negotiating calendar with the EEC, there is still no united stand on the statute the islands would need after Spain enters the EEC. The divergent positions of industrialists and merchants in the archipelago remain unchanged. The former favor the idea of the Canaries joining the EEC within the framework of the Customs Union. The merchants are opposed to that solution, and defend the Fiscal Economic System, which was approved in 1972 and has precedents dating back more than a century. Such a system would guarantee free trade and tax exemptions for consumption in the islands.

Moran Explains Government's Demands

Madrid EL PAIS in Spanish 23 Feb 83 p 11

[Article by Andres Ortega]

[Text] Brussels--In March or April the Spanish Government will present its position on Ceuta, Melilla and the Canary Islands with respect to Spain's entry into the European Economic Community. The inter-ministerial study on this matter will get underway in Spain in the next few days, starting with the premise that a statute similar to that which Gibraltar enjoys in the EEC will be requested. The EEC is expected to respond by May. In addition, Minister of Foreign Affairs Fernando Moran stated yesterday in Brussels that there must be a guarantee that the Spanish-Moroccan dispute over Ceuta and Melilla will not be set forth as a condition for participating in the conference of Mediterranean nations proposed by France.

Spain intends to maintain Ceuta and Melilla as free zones within the EEC, with a tariff for the Community similar to that of third countries, in order to preserve the fiscal privileges both territories enjoy. This economic statute would not pose serious problems in this case, although the Canaries issue would be much more complex given its exports of local goods (fruits, among other products) and its fishing interests.

Gibraltar Statute

At present, the British territory and population of Gibraltar are covered by the EEC treaties with a special statute; neither the customs union nor the EEC agriculture policy applies on the Rock. Gibraltar residents do not vote in elections for the European Parliament, either, but they are considered to be nationals of a territory of the European Economic Community when it comes to free circulation, under Article 227 of the Treaty of Rome, which is reformed every time the EEC is expanded.

If it is felt in Spanish circles that the Community would accept a free-zone statute for Ceuta and Melilla, a Community source pointed out, "faced with the possibility of political problems with Morocco, the Community would prefer not to get its hands dirty," indicating the possibility, assuming Spain's membership, of differences between territory and population for the cases of Ceuta and Melilla.

The same source mentioned, however, the need to bear in mind the Spanish Constitution, which stipulates that Ceuta and Melilla are part of Spanish territory. The British maintain a similar stance with regard to Gibraltar. The European Commission has indicated that once Spain joins the EEC, Gibraltar and Spain will be given equal treatment.

There are exceptions in the Community. The next one will be the case of Greenland, when a statute is found for its exit from the EEC. In the same manner, the Danish Faeroe Islands are not part of the Community, so they

negotiate their own fishing agreements separately from Denmark. A similar statute applies to the British Isle of Man.

Conference of Mediterranean Nations

Moreover, Spain has demanded a series of assurances before it will attend the conference of western Mediterranean countries. Moran revealed yesterday the requirement that the Spanish-Moroccan dispute over Ceuta and Melilla not be debated within this context. "Morocco's proposal has not been formalized in the competent forums," stated the Spanish foreign minister.

The French initiative has not yet been clearly defined. In principle, Spain, Italy, Morocco, Algeria, Tunisia and France are to be invited to the conference, scheduled to take place before June. Spain does not want the conference to deal with relations between the Mediterranean countries and the EEC in connection with the expansion of the Community to include Spain and Portugal.

These issues must be taken up outside the formal meeting, if at all, and France seems to have accepted this precondition. "It is not a matter of interfering in the business of the European Commission," stated the French minister for the European Economic Community, Andre Chandernagor.

The EEC Council of Ministers last month instructed the Commission to begin parallel talks with the Mediterranean countries with regard to the entry of Spain and Portugal. The French initiative has not been well received by the European Commission or by the current presiding nation of the EEC, West Germany.

The broadest focus of the conference, according to Fernando Moran, would be aimed at examining the general situation of the region, where there is a community of interests. "It is a matter of achieving a positive coordination for the area's stability," added the Spanish diplomatic chief.

8926

CSO: 3548/212

UNEMPLOYMENT REMAINS HIGH, BUT RATE IMPROVED OVER 1982

Stockholm DAGENS NYHETER in Swedish 12 Feb 83 p 42

[Article by Bo A. Ericsson]

[Text] In January 565,000 people were totally or partially excluded from the regular labor market. This is 54,000 more than during the same period last year and amounts to just over 13 percent of the labor force.

This was indicated on Friday by new statistics from the Central Bureau of Statistics and AMS (Labor Market Board). The new figures show now signs of improvement in the near future.

In one respect, however, the situation is better than during the same period last year. This is true of open unemployment. It amounted to 147,000 (3.4 percent) in January, which is 6,000 lower than last year.

Unemployment has not increased more because of the massive measures that have been taken, primarily relief jobs. In January almost 175,000 people were kept from total unemployment by AMS measures--a 25-percent increase over last year.

Relief work alone employed almost 70,000 persons, most of whom would have been without work otherwise.

Asks For More

In a report to the government on Friday, AMS requested an additional 175 million for relief work this spring, including 10,000 more jobs.

In January a total of 565,000 people were totally or partially excluded from the regular labor market (see table below).

At the same time, the number of available jobs remained at an extremely low level. In January 48,000 or 7.5 percent of the young people were openly unemployed, compared to 61,000 during the same month last year. This decrease also resulted from intensified AMS measures: there were just over 60,000 young people in relief jobs or job training in January. Compared to January last

year, the number of young people in relief jobs has doubled.

No Progress

The enormous extent of the AMS measures--which now appear to have reached the maximum feasible amount--has resulted in a somewhat higher employment level than last year. Workers with temporary relief jobs are counted in the statistics as employed, just as a worker who has a steady job. The new statistics also indicate that the so-called 35-krona law has been unsuccessful. This refers to the subsidy an employer receives for retraining instead of laying off or dismissing his personnel.

The Social Democratic government's decision to increase this subsidy from 20 kronor to 35 kronor per hour seems to have had no great effect. In January only 3,000 employees were affected.

In Stockholm County there are about 16,000 people without jobs. About 20,000 are employed or are being retrained by AMS. At the same time, at the end of January only about 2,600 available jobs were listed at labor exchange offices. Like elsewhere in the country, almost all the available jobs require either training or experience.

Distribution of Unemployment

	Jan 1983	Dec 1982	Jan 1982
Open unemployment	147,000	140,000	153,000
Participating in AMS programs (relief jobs, job training, subsidized employment, etc.)	174,900	166,000	139,600
Employed part-time (working part-time, but want to work full-time)	149,000	137,000	130,000
Latently unemployed (would seek work if work were available)	68,000	66,000	65,000
Latently unemployed who want to work but could not during week poll was taken	27,000	23,000	24,000
Number of persons unable to find work on the regular job market	565,900	532,000	511,000
Layoffs announced during the month	4,500	5,200	5,200
New available jobs announced during the month	33,400	28,200	31,700
Remaining available jobs at end of month	15,800	9,700	16,700

INDUSTRY ENCOURAGED BY INCREASE IN ORDERS

Stockholm DAGENS NYHETER in Swedish 15 Feb 83 pp 1, 7

[Article by Kerstin Sedvallson]

[Text] Things are looking up for Swedish industry. This was indicated by the Central Bureau of Statistics (SCB) figures on industrial production and orders for December 1982, published last Monday. New orders for industry as a whole were 7 percent higher in December than in November. New orders were 11 percent higher than 1 year before.

The mechanical engineering industry is of particular interest at present. Negotiations are underway now between the Swedish Metalworkers Union of LO (Federation of Trade Unions) and the Swedish Metal Trades Employers' Association (VF) of the Swedish Employers' Confederation.

In its offer to the union, VF stated that wage hikes were possible only if productivity could be increased. The metalworkers' union has demanded a 2.1 percent pay advance, which is LO's initial demand, which applies to all LO unions.

What is the current situation in the mechanical engineering industry? With the exception of shipyards, the industry experienced a major increase in new orders during December. This increase was a whopping 21 percent from November to December 1982. This represented a 20-percent increase in new orders over December the previous year.

The most noticeable increase was in export orders, which were 29 percent higher in December 1982 than in November. There was a 9-percent increase on the domestic market.

There was a slight decline in the metal goods and optics industries, while other branches showed major increases in orders.

Production increased by 4 percent during the fourth quarter of 1982 and by 3 percent from November to December.

Wood Up

Production dropped somewhat during the summer of 1982, but then increased gradually until November. At that time a slight reduction was noted. Production in 1982 was at its highest annual level in this branch of industry--1 percent higher than in 1981.

The transportation industry, excluding shipbuilding, was primarily responsible for this upswing. This industry increased production in 1982 by 8 percent over the previous year.

Another industry that experienced an increase in new orders was the wood industry, whose orders were 14 percent higher in December 1982 than in December the previous year.

The pulp, paper, and paper goods industry and the printing industry also showed an increase in new orders from December 1981 to December 1982. The increase amounted to 5 percent and, here too, exports increased most.

Thus, the upswing in various branches of industry will be of great importance in negotiations between the various LO unions and the respective employers' associations. Negotiations between the metalworkers and VF are of particular interest, since they will set the tone for the other unions and associations--at least with regard to VF's wage offer.

Negotiations between the metalworkers and VF are continuing today (Tuesday). VF must make a wage offer to be approved or rejected by LO's union delegates on Wednesday. Thus, despite the union negotiations, LO is keeping a tight grip on the negotiations and is maintaining its initial demand of 2.1 percent.

9336

CSO: 3650/121

HARRY SCHEIN, NEW INVESTMENT BANK DIRECTOR, PROFILED

Stockholm SVENSKA DAGBLADET in Swedish 31 Jan 83 p IV

[Article by Hakan Bergstrom]

[Text] A lot has been said about Harry Schein, and it will probably be said again, for he has long been a whipping boy and punching bag in Swedish debate.

Turbulence has surrounded the man before, so it is not to be wondered at that newspaper headlines are again telling about fierce and indignant reactions to his appointment as managing director of the state-owned Investment Bank.

There are insinuations, of course, that he only got the job because of friendly Social Democratic brothers in the Chancery. But it is well to remember that only a little more than 3 years ago, the nonsocialist government wanted to make him consul general in Los Angeles. That brought an outcry from the Ministry of Foreign Affairs. Harry Schein had enough before he even started.

In the 1950's, Harry Schein was a film critic who analyzed cowboy movies, among other things. He noted that there was a "ritual passiveness" in people who watched Westerns. The public seemed to feel the need for something old and well known--for repetition.

He wrote in the 1950's: "The Wild West has the same magic power as an incantation: that of magical repetition."

The reactions to Harry Schein also remind one of magical incantations--of magical repetitions. Year in and year out, the newspapers have borne witness to rows concerning him that are as ritualistic as the saloon fights.

Other parallels with the Wild West can also be drawn. Harry Schein does so himself in his memoirs. As head of the Swedish Film Institute for 15 years, he may have come to be regarded as a father figure:

"Father figures can be involved in patricide. Concerning my differences with young filmmakers, Jurgen Schildt once recalled 'Winchester 79,' a film about a man in late middle age--'the fastest gun in the West'--who went through hell because he was constantly being challenged by young gunslingers."

One gunslinger after another has wanted to challenge Harry Schein, but he has been a hard target to hit.

He has a quick intellect and a sharp tongue, and he can be insufferably arrogant. But there has been purposefulness in his arrogance and insufferable ways. His concern for Swedish films--for which he no longer has any responsibility--is presumably genuine when he compares them to the "Pilsner" films of the 1930's. Swedish films are moving toward a repeat of the 1930's. "Although they drink whisky instead of Pilsner now," he said in AFTONBLADET.

Harry Schein came to Sweden as a 14-year-old refugee from Austria. His father, who was a Social Democrat, died in 1936. Two years later, the Germans marched into Austria, and the Nazis seized power. Harry's mother, Ida Schein, was worried about his future and saw to it that he was sent to Sweden. She died in 1940.

Harry Schein wound up on a family farm in Smaland. He learned Swedish quickly and began to work his way through correspondence courses. He eventually learned chemical technology and became an engineer.

Allan Fagerstrom, editor of AFTONBLADET and a long-time friend of Harry Schein, has written about the latter's manner of speech: "A brilliant and synonym-rich Swedish, but his sentence intonation seems patterned after a poorly played Austrian concertina. He obviously has no stirrup bones in his ears--I have also heard him speak English, and it sounds like someone were running a stone crusher through the Empire. He quite simply cannot imitate what he hears."

The latter is true enough--for he is not like anyone else.

In the 1940's, he became acquainted with such authors as Artur Lundkvist and Erik Lindegren. He moved in cultural circles that also included a Social Democrat who was interested in culture and later became first a cabinet minister and then head of the Bank of Sweden: Krister Wickman.

They are close friends. Krister Wickman also had a hand in starting up the Investment Bank, which is now going to have Harry Schein as its managing director. The country is not a big one, and friends are close.

When he grew up, Harry Schein preferred to be involved with culture. But he declared early on that he first wanted to become financially independent so that he would not have to struggle for his daily bread. He was a technician. Immediately after the war, he started working for the Mercantile Engineering Company (MIBIS) in Stockholm. He later took over the firm.

Schein was full of ideas, and the firm made progress. He found a way to purify water of dirt. He sold MIBIS to the Bonnier Companies in 1960. Part of the deal was that Harry Schein was assured of an annually indexed salary for the next 30 years. He had become financially independent.

Harry Schein reviewed films for Bonnier's LITTERARA MAGASIN during the 1950's--opinion concerning the quality of his column was divided. In 1961, the well-known

critic with the pseudonym Robin Hood explained in STOCKHOLMS-TIDNINGEN: "As a film critic he was impossible. He very nearly killed interest in films by writing about them in a way that dealt with everything except the film in question and gave ordinary, gullible people an inferiority complex."

But Robin Hood realized that Harry Schein was a dynamic personality. And in 1961, he felt that Schein might be the right man to head the Swedish Film Industry. It did not happen. Two more years passed before Schein became head of the newly established Swedish Film Institute in 1963. One of the institute's objectives was to invest money in suitable film projects.

He thus gained control over one sector of Swedish culture.

He seems to have remained a critic and water purifier, because he has often talked about which people he regards as the dirt in life. He has often been malicious. And he himself has had to endure violent attacks.

He is a Social Democrat. Schein first met Olof Palme 30 years ago, when Palme was a student politician and the two of them were to debate cultural policy on radio. Before the debate, the two gentlemen visited the bar, and their friendship has continued ever since.

Palme and Schein play tennis every week, a fact that can scarcely have escaped anyone's attention. (Their tennis matches get almost as much coverage as Bjorn Borg's. Harry Schein is in the habit of pointing out that he usually whips Palme.)

Harry Schein has been married to actress Ingrid Thulin since 1956, but for most of that time, they have gone their separate ways. Ingrid Thulin lives in Italy, while Harry Schein lives in a lavish villa in Danderyd.

Harry Schein has explained that it is easier that way. Their habits are different: Harry is a meticulous person who wants system and order and a tidy desk.

Since his departure from the Swedish Film Institute in 1978, he has devoted his time mainly to writing--he has written articles for DAGENS NYHETER, for example. He has also written his memoirs--a book more than 500 pages thick.

As we said, he has written before. In the 1940's, he was lyrically inspired and wrote poems, some of which were published (including the series of poems "Five Poems to K," which was published in the journal POESI. "K" stood for Kabi, because at the time, Harry Schein harbored very intimate and warm feelings for concert pianist Kabi Laretei).

The memoirs, which were published 3 years ago, bore the simple and objective title "Schein." There is something both self-centered and sad at the start of the book, where he talks about the fact that he has no children:

"I like children--my friends' children--but only when it suits me, not when it suits them. I have never longed to have children of my own. It is a good thing

that I do not have children of my own--they would be a new edition of Harry Schein.

"I will have to suffice--and it will be over when I am gone."

But the Harry Schein who unquestionably exists is going to be in a position of power once again at the age of 58. He will develop a nose for investments and use the banks' money for useful investments in the economy.

And the young gunslingers are stepping forward.

11798

CSO: 3650/117

BRIEFS

EXPORTS CONTINUE RISE--Swedish exports continue to rise. During January the trade deficit was 100 million kronor. Exports amounted to 16.2 billion, while imports totaled 16.3 billion. The seasonally adjusted trade balance showed a surplus on the order of 0.5 billion kronor, according to a quick estimate by the Central Bureau of Statistics. The export of ships, including one oil rig, was extremely high in January. Exports have risen gradually since August last year. Estimates point to a 9-percent increase in exports from the third to the fourth quarter of last year. Exports, which were extremely high in November of last year, also increased between the third and fourth quarters by about 10 percent. [Text] [Stockholm DAGENS NYHETER in Swedish 15 Feb 83 p 8] 9336

CSO: 3650/121

JOURNAL VIEWS STATE OF RELATIONS WITH U.S.

Vienna PROFIL in German 31 Jan 83 pp 45-47

/Article: "Too Much Soft Soap--Are the Americans Really Peeved at Instances of Austrians Going It Alone, or Are Austrian-U.S. Relations Merely Suffering From Rampant Election Campaign Fever?"

/Text/ When he goes on a flying visit to the United States, Federal Chancellor Bruno Kreisky for a start breaks the sound barrier. For his visit to the U.S. President, the chancellor selected as his mode of transport the fanciest way of crossing the Atlantic--by the faster-than-sound Concorde. Since, however, there is no Concorde flight to Washington on 2 February, the chancellor also gets to enjoy spacious U.S. luxury. At JFK Airport in New York, he is met by Ronald Reagan's "Air Force One," which then takes him to Andrews Air Force Base near Washington. There the state visitor is transferred to a helicopter (marking: Marine One), which finally unloads him at the White House. Like a courted head of government, in other words.

For some months now, though, it has been rumored persistently that the transatlantic cordiality the two old gentlemen have been cultivating of late is a diplomatic comedy, with sour faces behind the scenes. U.S. newspapers taking poisonous swipes at Kreisky's Austria are being quoted maliciously by domestic papers and cited as proof of the decline. One of the Germany correspondents of the NEW YORK TIMES, for instance, sent a report to the United States cataloguing Kreisky's alleged failings and stating that "Kreisky is venturing a trip to the United States at a time when relations have worsened." Or the economic journal BUSINESSWEEK, right of the conservative center, becoming enraged not once but twice, stated in one of its stories that Austria was on the way to "Finlandization." And even provincial papers such as the INDIANAPOLIS STAR consider Austria to be deserving of comment, the Indianapolis paper commenting on the technology transfer debate saying: "Washington is right in making its position unmistakably clear to Austria."

Ambassador Eugene Douglas, responsible for refugee questions at the U.S. State Department, is afraid that "any number of journalists will now come and constantly ask ridiculous questions about the state of the friendship between the two countries, but that isn't worth a plugged nickel." At least in part Douglas himself is responsible for the confusion. Since the report he delivered last year at the OeVP /Austrian People's Party/ political academy,

he has slipped into the role of star witness for the U.S. displeasure. Thereafter he had to put up with reports that his own superiors were disparaging him at cocktail parties. Early this year he also made an offer to the SPOe [Austrian Socialist Party], against which he had lashed out in his address, to give a lecture at the Renner Institute, but Kreisky declined with thanks.

Meanwhile Douglas thinks he can understand the uproar his "private remarks" have caused. He says: "It was a Cloud-Cuckoo-Land relationship, a dormant friendship which did not require any kind of contacts, and therefore everyone was dumbfounded if someone said any more than that everything is fine." In some ways Douglas feels he is a victim of overreaction. He says: "If we are friends trusting each other--and surely we are--why do we turn the whole affair into a challenge? One word keeps cropping up: instruction. They want to instruct us. But surely that isn't so. We only do what is customary among friends and what keeps friendships young: we ask questions."

When OeVP Chairman Alois Mock at the head of a delegation of the European Democratic Union went through Washington and into the White House last week, Kreisky, who is said to be in disfavor, was the central topic of the observers. But Mock was on guard, carefully skirting any concrete statement. Abroad, said those accompanying Mock, the election campaign has to take a rest.

While Austrian journalists are eager to detect old and new signs, Americans think that it all is a wittingly fed straw fire. Charlie Meyer, an Austrian in exile and assistant to Pentagon politician Fred Ickle, who had fueled the technology debate, and not a Kreisky supporter by any means, says: "That originates with some people who were born in Austria or have close relations with Austria and have far exceeded their authority."

Only about the transfer of technology the Americans are said to be seriously concerned, but here too, according to those involved, a solution is beginning to be found. State Secretary Ferdinand Lacina had already conferred with the politicians of the three U.S. departments concerned and said that he would bring along enlightening material during the Kreisky visit. Already during the first conference, the atmosphere became quickly relaxed. The U.S. officials--including the Pentagon's Richard Perle, who previously had contributed to the trouble in a DIE PRESSE interview, apologized to the Austrian negotiators for the style in which the debate had begun. Then Lacina disproved the prime example of the Americans used for their arguments. The discovery of the by now famous GFM barrel-making machine with which the Soviet Union was said to be making the barrels of their tank armada turned out to be old hat. As early as 1977 a Pentagon brochure had expressed the delight of military people in charge before Reagan that "a revolutionary kind of gun production is coming out of Austria." Besides, the precision equipment, also hammering away in U.S. plants, consists exclusively of Austrian know-how, which, as the Americans conceded, could be exported by the neutral country in any direction. It was not possible to get the negotiators to give any further examples, even though Perle had brought a mountain of variously marked documents. The only list that became the subject of conversation was a catalogue of generally sensitive products which Reagan's people would like to keep from the

Soviets. It had been drawn up for a worldwide cleanup campaign. Whether Austria is actually involved in it will have to be established after Lacina returns to Vienna. In the meantime all concerned regret the ado, admitting that similar problems which the United States presumed to exist with Sweden and Switzerland have been settled silently (and therefore all the more easily).

Meanwhile the question remains open at least in the case in which it became apparent initially: there is still no U.S. approval of a joint production of VOeST /United Austrian Iron and Steels Works Inc/ and the U.S. firm AMI of Silicon Valley, the Californian technological wonderland. The Styrian microchips works, meant to employ the former Eumig workers, is largely ready for operation, and both Province President Josef Krainer and the VOeST managers are slowly becoming nervous.

Things are calming down increasingly, however. If some time ago OeVP emissaries such as foreign policy man Ludwig Steiner or sports spokesman Josef Hoechtl, armed with lists of Kreisky sins, still got together with U.S. conservative friends, such attempts at incitement have not taken place for a good while now, and the mention of Austria now only provokes a politely hidden shrug. With disarming indifference, an assistant secretary of state comments: "You see, we look at it this way: The Western world is a big tent with room for many views. That is our strength."

What is being stated in a language of some diplomatic sophistication is that in certain questions there are "admissible differences in perception" but no "differences of opinion" dividing the two countries. This formula is silent about what nobody wants to concede in quotable language, however. For a number of new neoconservative people in the U.S. foreign policy establishment, Bruno Kreisky has the effect of a red cloth which represents all that they find distasteful in the European democracies. From the accents in the policy of detente to Arafat embraces and Kreisky's political friends to the activities of the Socialist International, particularly in Latin America.

Everywhere the U.S. new right suspects treason and a sellout of the Western world. In the meantime this group has, however, already lost a lot of its importance, with people like Mock's host Richard Allen, formerly Reagan's security adviser, now enjoying no more than an outsider's influence. And the change in trends is not all that improbable. In time for Reagan's "state of the union" address, a kind of director's report to the nation, Reagan's right-wing in the Heritage Foundation launched a concentrated effort issuing a list of demands headed "Agenda '83" and organizing a rightwing shadow cabinet.

Compared with the accusations by these people resounding round the ears of the rest of West Europe, Austria appears to be a model student as it is. The neoconservative challenge, however, also contributed to an almost unprecedented Austrian presence in the United States. This pleases Austrian Ambassador Thomas Klestil, whose job has been made difficult since he assumed office by the prognoses of a transatlantic storm. Looking at the bright side of things, he says: "Interest in Austria has been more intense than ever before, and surely that is something to be welcomed."

Actually the dispute over the U.S. heart probably has been decided long since, for the Austrians' concern is directed far less at U.S. good will than at the welfare of a noble animal in a remote world. Worried ladies send poems dedicated to the white stallion, and the Austrian Embassy is besieged with letters asking whether the Lipizzaner which Austria placed in Reagan's stable is not feeling terribly lonesome so far away from home.

Yet this also shows one of the more substantial problems from which Austria is suffering in the United States. Peter Marboe, who directs Austrian public relations from New York, has diagnosed half a dozen identity problems of the Alpine republic. In a quite general way, he says, there is a lack of knowledge, with a distorted image continuing to present Austria as a saccharine cute country of Mozartkugeln, Vienna Choir Boys and Lipizzaners. All too often the term "German" included everything Austrian. Also Austria was often being swept behind the Iron Curtain. The confusion of Austria and Australia was persisting not only in stale jokes, and particularly in areas with a large Jewish population the Nazi past of the country was making any further argument superfluous.

Actually Austrian-U.S. relations have had to fight a certain obscurity throughout their 205-year history. Whereas Austria supplied the fourth largest number of immigrants into the United States, most of the immigrants came from the non-German-speaking provinces of the monarchy. "Austria," says William Wright, director of the Institute for Austrian Studies in Minneapolis, which was founded by the government in Vienna on the occasion of the 200th anniversary of the U.S. Declaration of Independence, "has always been largely a black spot in the Americans' consciousness. A history of Austrian-U.S. relations unfortunately does not yield much material." While Benjamin Franklin on a diplomatic mission as early as 1777 had offered free trade relations to the Austrian ambassador in Paris, Count Mercy-Argenteau, formal diplomatic relations were not established until 1838. Austria did supply arms to the rebel colonies, and even against the decree of Joseph II young noblemen out for adventure fought in the armies of the United States, but the fear by enlightened absolutism of the "spirit of rebellion which might spread like a plague" (Chancellor Prince Kaunitz) was too great to permit anything like close relations. The Austrian-American Trading Company which opened offices in Trieste never gained any importance, and Austria went into oblivion in the U.S. consciousness. At best the democratic self-image took offense at the "peoples' prison" of the monarchy, describing the country as an amazing anachronism. When Mark Twain reported about riots in Parliament in 1897 which had broken out over the language settlement of the Badeni government, he used a travel guide which described the monarchy as a peculiarity of the first order, stating: "There is nothing like it in the modern world; it seems unreal and impossible despite our knowing that it is true; it offends all our feelings which tell us what a country with a right to existence should look like."

It is this very image, however, which ironically is being brought out time and again in opinion polls as the stereotype image valid today. While Ambassador Klestil is pleased at the "favorable circumstances presented to us by our

friends in the White House" and goes to Vienna with some of these friends-- U.S. security adviser William Clark and Reagan's chief of personnel, Helene van Damm (probably the next ambassador in Vienna)--to attend the Opera Ball, another "friend of Austria" (as he describes himself), Eugene Douglas, says, his forehead furrowed questioningly: "You have to ponder what your mission is. You have to ask yourself what you believe your task is in this world. Of course everything is all right. As always. Only there is too much soft soap."

8790

CSO: 3620/222

BLECHA ON ELECTION PROSPECTS OF SPOE

Vienna ARBEITER-ZEITUNG in German 5 Feb 83 p 5

/Interview with Karl Blecha, Deputy Chairman of the Austrian Socialist Party (SPOe) by ARBEITER-ZEITUNG publisher Peter Pelinka, date and place not specified: "A Choice Between Two Entirely Different Approaches--Blecha is Convinced of the Possibility for an Absolute SPOe Majority"/

/Text/ Vienna--With 11 weeks to go until the 24 April National Council elections, Deputy SPOe Chairman Karl Blecha is convinced that a possibility exists of the SPOe once more obtaining an absolute majority. In Blecha's opinion, this likelihood exists because these elections are significant not only for the composition of the parliament, but for two entirely different approaches: for the continuation of the successful "Austrian Way" or for a turn toward a conservative, restrictive policy similar to that of Thatcher and Reagan. In publishing its tax package, says Blecha, the SPOe, whose election campaign costs he set at less than 60 million schillings (28 of which spent during the "hot" campaign phase of the last 5 weeks), has demonstrated the essential reasons for voting for a party: credibility and honesty. On the other hand, the "60 billion schilling economy package" of the Austrian People's Party (OeVP) could not be at all taken seriously and would result in a heavy burden and a reduction of social services for large strata of the population. The new "green" groups, he said, would damage all existing parties, especially the Austrian Liberal Party (FPÖe). Blecha thinks that the potential of the "alternatives" could largely be won by the SPOe. ARBEITER-ZEITUNG Publisher Peter Pelinka interviewed Karl Blecha.

ARBEITER ZEITUNG (AZ): Mr. Delegate, only 11 weeks remain until the National Council elections. What prospects do you see for the SPOe on 24 April?

Blecha: There have been no significant changes since last fall. The starting position continues favorable, since a clear relative majority has already decided to vote for the SPOe. Starting from that position, it should be entirely possible to obtain an absolute majority. The SPOe's party line, which finds its expression in the election platform and the decisions of the party leadership should contribute to the opportunity of fully exploiting these chances. I am convinced that a possibility of a clear majority for ourselves exists because these elections will be significant not only for the composition of the parliament, but, for a choice between two entirely different approaches. Either for the continuation of the successful "Austrian Way" or for a turn toward conservative experiments.

A number of studies in the social sciences during the past year have shown us that in Austria too a critical voter potential has arisen and that especially among people of average education there is a great deal of dissatisfaction with the parties, which must not be confused with dissatisfaction with politics in general. Also, the fact that these days credibility, honesty and a clean image are the main reasons for a party being chosen by the voters. No other motive comes even remotely close to those value judgments.

By fully describing proposed employment-creating policies, their funding and by demonstrating where additional public funds should come from we have to the greatest possible extent reached our goals as to honesty and credibility.

The 60 Billion Economy Package

AZ: In contrast, there are the cost cutting proposals of the opposition.

Blecha: We couldn't have asked for anything better than to have the OeVP, challenged by our frankness, come up with a 60 billion schilling economy package and thus showing for the first time what its change of direction, its true politics, really are. Because that 60 billion schilling swindle, which is not only a tactical mistake in a pre-election period but which is symptomatic, contains a number of cuts which would be to the entire disadvantages of wide strata of our population. There is talk of self-maintenance of social insurance. German pensioners are experiencing exactly what this means when they have to pay an extra DM 5 per day of hospital costs out of their own pocket.

This 60 billion schilling swindle also demonstrates its unreliability: within a few days two important speakers of the People's Party, Busek and Graf, talking about the same economy package, provided figures differing by some 10 billion schillings. Where Busek plans to save 8 billion in operating the Federal railroads, Graf puts the figure at 18 billion.

Restrictive Policies Similar to Thatcher's and Reagan's

We must be grateful also for a number of additional points which were clarified by the OeVP economy package. The OeVP is in favor of cutting down on road construction, of reducing the railroad investment program, and of cuts in the civil service, while at the same time party speakers call for additional police and teaching jobs. In fact, the OeVP is even in favor of cutting the program for stimulating the economy by 2 billion schilling. Here we see an unequivocal restrictive policy similar to those of Thatcher and Reagan.

AZ: What impact do you think the economic crisis has upon the outcome of the elections?

Blecha: From all the evidence, if any party is trusted to deal with the crisis at all, it is the SPÖ. Even more important is the fact that almost 80 percent of all Austrians are in favor of incurring debt for the purpose of preserving jobs and creating new ones.

We in Austria live in a country which has the fourth lowest public debt and which does not have to be afraid to incur a debt in order to protect jobs, but which can fully meet current Federal expenditures out of normal revenue. No conservatively governed country on earth, not even the formerly very rich United States, is able to do that. Anyone must be flabbergasted by the fact that Reagan now has a budget deficit amounting to \$189 billion.

AZ: But now the opposition has expressed hopes that the so-called Mallorca Package will have the appropriate negative impact upon the SPÖe. Has this been investigated?

Blecha: At a moment when the final details had not been worked out, there was a telephone poll, immediately after the Christmas holidays, conducted by the IFES /expansion unknown/. The result demonstrated unequivocal agreement to a relatively moderate tax increase of the 13th and 14th salary periods. This is not surprising considering the fact that this impacts only 10 percent of persons who are salaried or drawing a pension.

The Best-Kept Banking Secret

The poll also showed that the majority was against the dividend revenue tax, which had at that point be misrepresented as a tax on savings accounts by the ÖVP and some of the media and which a considerable percentage of older citizens viewed as a tax on their savings. This caused us to explain to the people that such was not the case; rather, that it was a new way of collecting the existing tax on dividend income.

In this connection we were successful also in demonstrating to the people that the best-kept secret bank account in the world has existed in Austria only since 1 March 1979. It was only the credit law which served to give legal status to the secret bank account. Other countries collect a withholding tax or settlement tax for a relatively insecure anonymity, ranging from 38 percent in France down to less than 10 percent in countries where there is no such thing as a secret bank account.

AZ: The ÖVP and a few newspapers are trying to use so-called secret SPÖe papers to further their own election campaign.

Blecha: This appears to be the style adopted by the new secretary general of the ÖVP, Graff, and Campaign Manager Steinbauer. It is interesting that positive arguments are not being used to make propaganda for a party, but rather that stolen documents and posters from ministries which have been obtained in suspect ways are being used against the other party. Can you just imagine how the bourgeois press would react to a socialist functionary who would paste up posters of a provincial government in the Loewelstrasse, with a sticker on top saying "ÖVP Posters Paid For By The Taxpayer?" And posters at that which haven't even gone into distribution yet. Or if he were to quote from documents out of briefcases which Secretary General Graff has left behind--and lately he is leaving a lot of them.

Graff posts other peoples' posters which haven't even appeared on public walls yet. He describes posters of the Employment Management Council to be simultaneously "meaningless" and "SPOe propaganda." Those are posters of the Employment Management Council which are issued every year at this time and which inform people of what the Employment Management Council can do for them. Such is Graff's new spectacular style, which is apparently also being supported by Steinbauer.

AS: What documents were really in that famous left-behind briefcase?

Blecha: One thing is certain: the director of the OeSP information office, Mahr, briefly left a briefcase containing personal papers out of his sight at the Graz conference of district secretaries in congress hall. Some papers were apparently taken out of it. The most exploited of these papers concerns a discussion proposal made by Mahr in April 1982. It takes a good deal of contempt for journalistic ethics to turn this into a "an election campaign concept sanctioned by the SPOe," which is "brand new and hot off the press." That particular paper has the heading "Hans Mahr Discussion Paper" and "for position approval by Kreisky and Blecha;" in addition it contains proposals for "polls to be conducted prior to the summer of 1982."

In addition there were some cost figures which weren't even used for discussion purposes, neither in the election campaign management nor at party headquarters. Elaborating a schedule of costs for conducting a maximum program is one of the duties of the director of the information office.

SPOe Election Campaign Costs: Less Than 60 Million Schillings

AZ: What is the actual order of magnitude of the SPOe's election campaign costs?

Blecha: For the "hot" election campaign phase, i.e., the last 5 weeks preceding the 24th April elections, we count on 28 million, and by then probably expenses of about 30 million schillings. Altogether then the election campaign expenses will be less than 60 million schillings.

AZ: Those famous papers are now being used also to conduct a nasty campaign against Environmental Protection Minister Steyrer. Why?

Blecha: It is obvious. Kurt Steyrer is one of the most popular Federal ministers, and his credibility, especially among skeptical young voters, is a thorn in the side of the OeVP. In his discussion paper Mahr expressed the opinion that it is not enough for Steyrer merely to campaign for his environmental policy ideas, but rather that his presentations, which do not always obtain the necessary two-thirds majority in parliament, should be used also in confrontation with the OeVP's actual practices.

The OeVP gives lip service to environmental protection, exactly like all the other groups which seek favor with the voters. But where actual measures are concerned, the OeVP would always cling to its image as a system-stabilizing party which certainly would not want to do anything which would have a impact on its real financial supporters.

The Prospects of the New "Green" Groups

AZ: Environmental protection as a whole is one of the main issues of the election campaign. New "Green" groups are going to campaign for office. How will that affect the SPOe's election prospects?

Blecha: Until now we have had two spectacular successes in local elections; in Salzburg via the Citizens' List, in Graz via the Graz Alternative List. They have two different sets of goals, but apparently both have appeal with similar social groups. Neither has impaired the Social Democratic position. On the other hand, the FPÖe lost many votes in both cities: the ÖVP did at least in Salzburg.

You cannot extrapolate from local election results to National Council elections, but the trend is comparable. Regardless of his ideological conviction, we can find the protest voter who joins a party which is not represented in the National Council, among the young, well paid, well educated people who are in sympathy with a post-materialistic lifestyle. And there is evidence that a considerable portion of that group of voters has failed to vote in past elections. Another portion voted primarily for the small FPÖe, and a still smaller one for the ÖVP. But we must of course also allocate that portion of the voters to that voting segment which professed to go along with the SPOe part of the way; also a number of people who would call themselves "Kreisky voters." To that extent the appearance of such groups constitutes a danger not only to the bourgeois parties, but also for the SPOe.

AZ: But the potential of the "alternatives" is a different one.

Blecha: I believe that the Alternatives have a certain amount of attraction for left-leaning, critical young people, due to the fact that we too make mistakes. But it should be easy to convince politically sophisticated, critical people that their goals would be easier to attain with an absolute SPOe majority than with a relative majority and coalitions. I am therefore optimistic in believing that we will not lose much to such groups, and I cannot help feeling that the support to such groups from certain quarters occurs only in the hope of taking some votes away from the SPOe. We must make sure now that our oft-described readiness to engage in a dialogue pays off. Politicians too must now be able to debate critical young people, using a language they can understand and arguments they can recognize as being credible.

AS: You think then that the potential of these alternative groups can be won over to the SPOe, in contrast to what National Bank Director Kienzl thinks?

Blecha: I think that we need to have the critical young people on our side, and that we can recruit them.

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CSO: 3620/225

LEADING SOCIAL DEMOCRATS SAY JORGENSEN POOR OPPOSITION CHIEF

Copenhagen BERLINGSKE TIDENDE in Danish 19 Feb 83 Sect II p 1

[Article by Solveig Rodsgaard: "Anker J. Having Difficulty With His Role in the Opposition"]

[Text] According to leading Social Democrats there is a need for "substantial rethinking." The social democratic adjustment from being the government party to being the opposition party is a slow and difficult affair. Uncertainty and frustration have seized some of the members of the Folketing, especially because the leader of the party, Anker Jorgensen, is having difficulty learning his role as an opposition politician.

The problem is that in the Folketing group they have more calmly recognized--especially the economists--that regardless of when the Social Democrats get the governing power again, they will have to follow just as tight an economic policy as the nonsocialist government. In addition some of the means will be the same. Therefore it should not be the primary role of the Social Democrats to criticize everything that the nonsocialist government is doing. Because the good old days of social democracy--meaning under Jens Otto Krag up to 1968--will not come back. The rest of the Folketing group appears convinced of that. But it is certainly painful when Anker Jorgensen has not adjusted to it, which some in the group call "substantial rethinking" or "reevaluation of the welfare state."

Anker Jorgensen has not been capable of seeing himself as the creative opposition leader, using the period in opposition for a thoroughgoing debate with his Folketing group about what social democracy will mean under the changed conditions in future Denmark. And how to get there.

Does Not Participate

Therefore many in the group have a feeling of passivity and political uncertainty. A number of committees are working within the Folketing group on analyses and discussions. But Anker Jorgensen does not participate in the work of these committees. And this causes problems.

Anker Jorgensen participates in a number of meetings around the country, and like the emotionalist that he is, he often allows things to run away with him when he is not distracted by facts. The experts in the committees sit back and groan. His ideas about the introduction of tax books is an example. And his statements about abolishing waiting days for health insurance were completely contrary to what the members of the social committee were saying and working on. But a bargain is a bargain. A few days later the Social Democrats had to present the announced bill.

Anker Jorgensen's lack of insight--or at least his unwillingness to think ahead--was also the cause of his problems in November with his statements about the NATO missiles and the Danish appropriations. He did not understand that the previous social democratic government had bound itself to pay the 26 million kroner. And he did not ask anyone.

Without Officials

Naturally it is not easy for a former prime minister, whose length of term in that post was exceeded only by Stauning, to be placed in the office of chairman of the social democratic group without the protection of the prime minister's top officials with legal expertise. And obviously it is even more difficult when the group chairman does not consult very thoroughly with the leadership of the Folketing group, which consists mainly of political spokesman Knud Heinesen and vice chairman Ritt Bjerregaard.

The Note

There is no enthusiasm in the group for the status paper on the social democratic opposition policy, which Anker Jorgensen has compiled, and which was presented to the governing body of the Social Democratic Party last Saturday. The note was described internally as verbose and incoherent, and some called it Anker Jorgensen's attempt to rehabilitate himself before the Folketing group, because he had criticized the policies which the social democratic government followed. Understood: Why did we not do better, see now how the nonsocialist government is getting wind in its sails? A real discussion on the creation of the note did not take place, because Anker Jorgensen was rather galled about it.

The Leader

In spite of the obvious problems in carrying out the opposition role, Anker Jorgensen's position as leader of the Social Democratic Party is unshakable. By tradition social democracy is always loyal to the party chairman, especially when the party is in the opposition. "The leaders of social democracy retire, they are not pushed out," is the saying in the Folketing group.

And there are none in the party who will deny Anker Jorgensen's great popularity and his ability to explain complicated issues in simple terms.

Which outwardly is a great advantage for the party. Therefore none of the probable candidates for the chairmanship are sticking their necks out too far during the opposition period. Ritt Bjerregaard, Knud Heinesen and Svend Auken are all keeping a low profile.

It is naturally not only Anker Jorgensen who has difficulty finding a suitable grimace to wear on the opposition bench. For many in the group it has been a real shock to find themselves in the opposition.

It has been difficult to accept that the nonsocialist government has such great support out in the population, and that the people are happy that "in spite of everything, something will be done." It has also been hard to recognize that it is really only the extreme groups in the labor union movement who have stubbornly protested against the actions of the nonsocialist government. And finally many in the Folketing group have had a hard time getting used to the fact that LO [Danish Trade Union Congress] without a rumpus made an agreement which the union movement would never have accepted under a social democratic government. The "Schluter syndrome" acquired one more tooth.

The Practical

The shock at being in the opposition can also be noted in practical matters. Over one-half of the members of the Folketing group have sat in the Folketing as members of a government party, and that is another way of working. Now they no longer have the government apparatus at their disposal via their own ministries.

For example, how to work up a proposed law? Who writes them now? This has caused large problems for the unskillful, which now suddenly the Social Democrats are going to be for years.

9287

CSO: 3613/65

CHRISTIAN PEOPLE'S PARTY FOLKETING CHIEF HINTS BREAK WITH SCHLUTER

Copenhagen INFORMATION in Danish 9 Feb 83 p 12

[Text] The Folketing chief of the Christian People's Party. Arne Bjerregaard, expects an election to the Folketing in September because the government does not succeed in creating the needed background for the necessary savings under the 1984 budget.

He is not certain that the nonsocialist minority government in that case will survive the election. But, last Tuesday, he told KRISTELIGT DAGBLAD that it was his personal opinion that it would be preferable to have the Christian People's Party in opposition as a representative of a constructive line of cooperation in the Folketing.

"I do not want for it to remain any secret that I would prefer to see the Christian People's Party outside the government. We simply are too small to participate in the government. It is difficult for us to cope with the work load involved. We cannot handle all of it at the same time. For one thing, a small party finds it hard to be heard in a government cooperation such as the present one, for the other, we have certain leading issues which it is hard to cultivate as a government party," Arne Bjerregaard said according to the paper.

Later on the same day, Arne Bjerregaard found occasion, at a press meeting, to stress that the essence of his statement is that if after an election the party will still have only 4 seats, he does not find that it will have sufficient strength to commit itself to enter into a government cooperation.

The party's only member of the 4-party government, Environment Minister Chr. Christensen, said in the radio news program that he agreed with the Folketing chief of the party that it is a big job being a government party if a party is not backed by a larger number of seats. "However, the cooperation among the four parties has been excellent, and I do find that they have certainly taken into account the fact that I represent a small number of voters," Chr. Christensen said.

"When four parties get together to solve a task, it is, of course, natural that not all of the parties will have their wishes fulfilled completely."

'HIGH-LEVEL SOURCE IN EC COMMISSION': CONCESSIONS WILL BE GIVEN

Godthaab GRØNLANDSPOSTEN in Danish 2 Feb 83 p 27

[Text] It will be possible for Greenland to obtain freedom from duty for its fish exports to the EC even if the country will no longer be a member of the community, but, on the other hand, Greenland will have to guarantee the fishermen of the EC--and that will, in practice, mean the West German trawlers--access to fishing in Greenland waters. This statement was made by a high-level source in the EC Commission to GRØNLANDSPOSTEN.

"The sensitive issue is, of course, the issue of mutual rights. The extent to which we may gain access to the Greenland waters, and Greenland may gain access to our market. Within the EC Commission, it is widely understood that Greenland is a country which is dependent upon a single product, viz. fish. That is why we find that if Greenland is to have unlimited access to the EC market, vessels from the EC must also have the possibility of fishing in your waters," the source says.

But that is, of course, only to happen once the Greenland fishermen in every respect and in any given fishing period have themselves taken the fish needed by the fishermen and the country, the source stresses.

"Greenland has chosen to leave the EC--and that we respect. But, at the same time, Greenland has also chosen to continue to maintain its trade relations with us. And, therefore, it is very important to find the right framework for a future cooperation. For Greenland will continue to exist for many 1000 years to come, and we regard the country as part of European territory. The cooperation must be in our common interest. And that is a problem of enormous strategic and political dimensions. That is why it has taken such a long time to work out the guidelines for this cooperation in the Burke report," the source tells GRØNLANDSPOSTEN.

Special Arrangement

Once the commission has submitted its report to the council, the ministers will discuss it and either modify, change or approve it.

It is the prevailing viewpoint within the commission that Greenland may not obtain a complete OCT arrangement, as desired by the Greenland government and the Danish government. However, at the same time it is clear that Greenland

will get an arrangement with the EC which will contain the most important advantages of the OCT arrangement, viz. duty-free access to the large EC market. It is possible that it will be an arrangement which will be entirely special for Greenland and which will not be called an OCT arrangement but, in practice, will be a mixture of the OCT arrangement and, for example, the arrangement which the Faroes has with the EC.

"Have the West Germans tried to exert pressure on the commission while it was working on the Burke report?"

"I want to say it in the way that it has been a hampering factor in our work that it has coincided with dramatic heights in the efforts to find a common fisheries policy. Certain people have considered it more important to reach a joint fisheries arrangement than for Greenland to obtain an arrangement with the EC at the earliest possible point of time. That is not the viewpoint of the commission. We have always found that it is extremely important to work out a civilized and mutually beneficial relationship with an area which--even if should leave the EC--will remain of extremely great importance for Europe. And there is no doubt that Greenland is such an area."

"Why is Greenland so important?"

"I must say that one of the most important reasons is fish. The EC wants some kind of regular access to the Greenland waters. That will, of course, at any time depend on the state of fishing--and Greenland must, of course, at any time, have the fish which your economy requires."

Hopes Atassut [Mutual Cooperation] Wins

The EC Commission does not conceal the fact that they secretly wish that Atassut will win the coming election.

"It is quite obvious that the EC Commission will be very happy if the opposition party Atassut wins the election. And we shall be twice as happy if Atassut starts taking up the issue anew of withdrawal from the EC," the source tells GRØNLANDSPOSTEN. "For our report will appear right before the election, and it would be an unfortunate side effect of our work if people in Greenland become so disappointed that they cannot get a complete OCT arrangement that they will end up voting for a party opposing the EC."

It is, at present, the Germans who have the chairmanship of the EC, and that may contribute to delaying the withdrawal of Greenland from the EC. However, the actual negotiations between the EC, the Greenland government and the Danish government will probably not start until the summer. After that, the final decision by the council on an arrangement for Greenland will have to be approved by the governments of the ten countries. And that procedure normally takes 12 months.

7262

CSO: 3613/62

CHRISTIAN PARTY CHAIRMAN, STORTING CHIEF EXCHANGE POSTS

Oslo AFTENPOSTEN in Norwegian 17 Feb 83 p 5

[Article by Thorleif Andreassen]

[Text] The nominating committee of the Christian People's Party unanimously recommended that Kjell Magne Bondevik become party chairman if Kare Kristiansen becomes parliamentary leader of the party. Jakob Aano and Anne-Olaug Ingeborgrud were selected as first and second vice chairmen respectively. Kare Kristiansen will take over as parliamentary leader at the end of April.

The following candidates were nominated as members of the central committee: Svein Alsaker of Hordaland, Ivar Berg of North Trondelag, Kjell Erfjord of Rogaland, Gunvor Heiene of Oppland, Dagfinn Hoybraten of Akershus, Eli Kristiansen of More and Romsdal, Jon Lilletun of Vest-Agder, Paula Nordhus of Troms, Jan Paus of Ostfold, Berit Rygh of Buskerud and Elsa Skarbovik of Vestfold.

Kjell Magne Bondevik has informed the Storting group that if he is elected chairman at the congress in April, he will submit his resignation as chairman of the parliamentary group. The group accepted this and announced that in that case it would select Kare Kristiansen as new parliamentary leader. Kristiansen has told the nominating committee that due to the above considerations he is not an active candidate for the post of party chairman.

The timing of the change in parliamentary leadership has created problems in the leadership cabal of the Christian People's Party. Should it take place in connection with the national congress, sometime before the summer vacation or when Storting reconvenes in September? AFTENPOSTEN has learned that it is fairly definite in the party that this change will occur soon after the party holds its national congress in April, more precisely at the end of April or the beginning of May.

6578

CSO: 3639/75

POLL SHOWS FOUR OF TEN VOTERS SATISFIED WITH WILLOCH

Oslo AFTENPOSTEN in Norwegian 12 Feb 83 p 3

[Text] A satisfaction rate of around 40 percent, a dissatisfaction rate that is 5 percent below that and a quarter who are neither satisfied nor dissatisfied. Those were the opinions of the voters about the Willoch government last December. This week's poll from Norwegian Market Data is part of a series on the popularity of the government. Similar surveys were made in December 1981 and in February 1982.

The surveys are conducted through personal interviews with a nationwide selection of men and women over the age of 15, a total of around 1,400 people each time.

The following question was asked: "Here you see a scale that goes from a high of plus 3--very satisfied--to a low of minus 3--very dissatisfied. We would like you to express your opinion of the work of the Willoch government with the help of this scale. If you are very satisfied, your answer will be plus 3, if you are very dissatisfied you will answer minus 3. If you are neither satisfied nor dissatisfied, the natural response will be 0. You will answer plus 2 or 1 if you are more satisfied than dissatisfied and minus 2 or 1 if you are more dissatisfied than satisfied. Which figure would you use to show your view of the work of the Willoch government?"

The three surveys produced the following results in percentages:

<u>Scale</u>	<u>Dec 81</u>	<u>Feb 82</u>	<u>Dec 82</u>
+3, very satisfied	9	7	9
+2	16	14	18
+1	13	11	12
0, no strong feeling either way	36	32	24
-1	8	10	10
-2	8	11	9
-3, very dissatisfied	10	15	16
Don't know	0	0	2
Total	100%	100%	100%

If we add up the plus and minus sides, the results are as follows:

<u>Scale</u>	<u>Dec 81</u>	<u>Feb 82</u>	<u>Dec 82</u>
Satisfied (+3, +2, +1)	38	32	39
No strong feeling either way	36	32	24
Dissatisfied (-3, -2, -1)	26	36	35
Don't know	0	0	2
Total	100%	100%	100%

6578

CSO: 3639/75

CHRISTIAN PARTY MP: LITTLE LIKELIHOOD OF COALITION SEEN

Oslo AFTENPOSTEN in Norwegian 17 Feb 83 p 5

[Article by Terje Svabo]

[Text] "I cannot see any factors that would lead the Christian People's Party to enter into a government coalition within the next 2 years. It is my clear impression that our members and local groups are very concerned with not making too drastic a change in relation to the very serious considerations behind the 1981 Tonsberg resolution." Storting representative Hans Olav Tunesvik of Hordaland said this in a talk with AFTENPOSTEN about the Christian People's Party's stand on government cooperation.

Now that several of the county organizations of the Christian People's Party have issued statements about their stand on the Tonsberg resolution, there has been a new discussion in the party about the government cooperation issue. Hans Olav Tunesvik said that a number of visits to local and county party groups has left him with the impression that a clear majority of the party's members and officials do not feel it would be right to join the government in the present parliamentary period.

"The background of the discussion is whether the Tonsberg resolution should be regarded as a statement of principle or whether it is relative to the overall situation. I do not think it is possible to answer this with a simple yes or no. There is a strong element of principle in the resolution, but it is also dominated by the situation the party was in when the resolution was adopted at the national congress in 1981.

"Everyone in Norway knows why the resolution was adopted. The serious aspects behind the resolution are something our members are interested in preserving instead of weakening them and reaching other conclusions in 1983 than we did in 1981. This has always stood as a testimony and a reminder to other parties as well," Tunesvik said.

He added that in his view, the Christian People's Party has a working situation in Storting today that provides great political possibilities, while leaving the party relatively free to act in relation to the government.

Is it a problem for the Christian People's Party that leading party officials now interpret the signals from the county organizations in different ways?

"I have talked to a number of officials. The signals I have received are in line with my own impressions. I will simply take it into consideration that others in the party do not draw the same conclusions that I do and I am looking forward to the speeches at the congress, which I expect to coincide with my own views to a large extent."

This standpoint seems to mean that in reality he supports a continued all-Conservative government.

"The Christian People's Party makes its own decisions. The Center Party must take its own stand, but no party can guarantee another with respect to the length of time it can remain in power. In the future, the Christian People's Party will support the government within the framework of the mutual agreement, but otherwise we have a free hand. This is very important with respect to such things as alcohol policy and aid to developing countries.

"In my opinion, we have had good experiences in the main from the cooperation to date. The government has shown the elasticity that a minority government must show and this has made it possible for the Christian People's Party to achieve a reasonable impact on behalf of its views."

6578

CSO: 3639/75

AKP (M-L) CHAIRMAN STEIGAN VIEWS MAOIST PARTY AT TENTH YEAR

Oslo AFTENPOSTEN in Norwegian 17 Feb 83 p 6

[Article by Per Danielsen]

[Text] In a historical perspective, the decade of activity by AKP (M-L) [Workers' Communist Party (Marxist-Leninist)] would have to be described as a very small ripple--we have not come a centimeter closer to any revolutionary changes since the party was founded in 1973. But the ardor is still there. Party cadres walk the streets in the cold, selling KLASSEKAMPEN. And when AFTENPOSTEN asked if we have now come any closer to the revolution, the chairman of the party celebrating its anniversary, Pal Steigan, answered, "Of course we have."

The whole thing occurred as a result of the Vietnam war, combined with unrealistic theorizing and dissatisfaction with the political parties of that period. The first Marxist-Leninist group was formed at Teisen High School on the east side of Oslo. There Pal Steigan gathered his first sympathizers. The aftershocks were still running high a few years after Steigan, when the undersigned took part in a tough verbal clash at the same school. "Class standpoints" were attributed to just about everybody on all conceivable and inconceivable approaches to the problems, no one was spared--practically all those who did not agree were labeled "class enemies." Hatred and hostility were natural ingredients in the world view of Marxist-Leninists at the time. For others this provided memories--and a fundamental rejection of the idea of establishing totalitarian groupings.

Things moved quickly after that. The Socialist Youth League (Marxist-Leninist)--SUF (M-L)--was formed in February 1969. The Workers' Communist Party saw the light of day in 1973. The high school students became university students and the flight from reality continued in the Student Association. Confrontational meetings were not uncommon at which more moderate students were told that "this issue is too important to take a vote on."

Secretiveness has long been a central feature of the Marxist-Leninist movement. They felt persecuted--by the security police and by public opposition. The practical political work was strongly dominated by this

as it is to the present day. Couriers were preferred to telephone conversations, secret information papers conveyed orders and political messages. At the summer camps--which were so secret that the participants scarcely knew where they were--Pal Steigan himself operated under an alias. At times, party discipline got the upper hand--the party supervised the most intimate aspects of its members' private lives in a way that would have made the most adamant proponents of the new order turn in their graves. Deviations from the "correct line" led inexorably to exclusion, reprimands or "self-criticism" in the Chinese manner.

Today the party leadership is older (some of the present leaders have been involved from the beginning). Time has obviously put its mark on the party leadership, as far as standpoints are concerns. AKP (M-L) has had many "shifts of course" since it started. However, Pal Steigan chooses to play this down. He told AFTENPOSTEN that changes in the party line have occurred mainly on "tactical issues," not on more fundamental questions. For they still have a blind faith in their own viewpoints. Steigan stressed that AKP no longer has an answer to "everything." But, "capitalism is /forced/ [in italics] (italics mine) to blunder its way into an intensifying crisis," said Steigan, who has the same blind faith in the historical inevitability of the revolution that he has always had.

There is one thing that cannot be denied the AKP people--they are incredibly competent, fantastically competent, and they make more sacrifices than anyone else to promote the political "religion" they believe in. This has led to organizational effectiveness, a daily newspaper and lots of money for the party treasury. This is probably the explanation for the effectiveness of this miniparty. AKP's activities outside parliament have had an impact far beyond the ranks of the party itself and the party has helped to shape the minds and opinions of many people on individual issues to a considerable extent. When the party was formed in 1973, most people shrugged or turned their backs. Today the party can almost be regarded as a part of the "establishment."

The very existence of the party is enough to shift the debate in the direction of left-wing assumptions. The "pull to the center" still attracts many weathervanes. AKP has helped to move the "center" in the other direction. Congratulations on the tenth anniversary, Pal Steigan.

6578

CSO: 3639/75

LISBON TO HOST INTERNATIONAL ANTI-APARTHEID CONFERENCE

Conference Hailed

Lisbon AVANTE in Portuguese 10 Feb 83 p 8

[Excerpts] The International Conference of Solidarity with the Front Line States and for National Liberation and Peace in Southern Africa, which is to be held in Lisbon from 25 to 27 March 1983, can already be considered a success. This opinion was expressed by Lieutenant-colonel Vitor Alves, president of the conference's International Preparatory Committee (CIP), and by members of the national committee at a press conference in Lisbon last Tuesday.

The CIP's third meeting in Amsterdam (from 28 to 30 January) enhanced this conference's certainty of success even more, as did the subsequent meetings by its representatives in Stockholm, Copenhagen, London, Paris Brussels, Bonn, Vienna and Rome--where additional support was obtained that qualitatively and quantitatively improve the level of participation at the Lisbon conference. The conference's postponement from 1982 to 1983 aroused malevolent speculations on the part of forces having little interest in publicly debating the grave situation that exists in southern Africa and in denouncing those responsible for such a state of affairs.

Vitor Alves, Silas Cerqueira, Joao Cravinho, Aquilino Ribeiro Machado, Jose Manuel Galvao Teles, and Kandy Nehova (SWAPO [South-West African People's Organization] representative) who, together with representatives of the front line states contacted political parties, government entities, social and religious organizations in various countries, unanimously confirm the wide-spread interest and commitment to preparing and holding the Lisbon conference.

The front line states' interest and commitment to bringing about this initiative is another guarantee of the Lisbon conference's success. This is not only expressed in the assured high level of participation but also by the intense lobbying effort that is being done by the front line states' ambassadors in different European countries. They are the ones who, together with all the organizations which were contacted, are now carrying on with the task, begun by CIP representatives, of raising public opinion awareness.

As a result, Lisbon will become the focal point of attention for international public opinion next month.

Financial Assistance Detailed

Lisbon TEMPO in Portuguese 10 Feb 83 p 22

[Text] The press office of the International Conference of Solidarity with the Front Line States has sent us the following statement for publication in response to an article we published last week under the title "Angola's support for Vitor Alves."

"a) There were no 'revelations' made by Lieutenant-colonel Vitor Alves in Amsterdam. That is to say, the accounting and financing of the Lisbon conference are in the public domain and known by all interested parties. So, the international assistance it has received up till now consists of \$13,330 from the FRELIMO [Mozambique Liberation Front], \$10,000 from the MPLA [Popular Movement for the Liberation of Angola], and \$10,000 from the United Nations Council for Namibia. All the remaining contributions come from Portuguese sources, either from individuals or businesses. No financial contribution has been made by any official public organization.

b) None of these contributions was sent to the president of the International Preparatory Committee, Lieutenant-colonel Vitor Alves. The contributions were sent to the conference's bank account which we are listing here so that all those who wish to contribute may do so. It is the Peace and Solidarity Fund, N 7537487/002, Totta & Accores Bank, Rua do Ouro, 88, Lisbon.

c) The following entities are among the more than 40 international organizations supporting the Lisbon conference: the World Peace Council as well as the World Church Council, the Pan-African Church Council, Pax Christi, the international JOC [Catholic Labor Youth], the United Nations Council for Namibia, the United Nations Special Anti-Apartheid Committee, European solidarity and anti-apartheid organizations, labor and humanitarian organizations, christian democratic, liberal, socialist, communist and other deputies.

d) The conference has 2 vice-presidents: Vassos Lyssarides, president of the Cyprus Socialist Party, and Silas Cerqueira, executive secretary of the London based and U.N. recognized ICOSA--International Anti-Apartheid Committee."

PS Rejects Involvement

Lisbon O DIA in Portuguese 10 Feb 83 pp 14, 15

[Text] The PS [Socialist Party] denounced the objectives of the so-called Conference of Solidarity with the Front Line States and withdrew its support for holding it. This conference has the express support of Ramalho Eanes and it is the object of a pro-soviet crusade by revolutionary councillor Vitor Alves.

In a statement put out by their press office, the socialists say that they consider the objectives of such a conference, "which has the support of the Portuguese Peace and Cooperation Council, to be in line with the propaganda activities of soviet diplomacy with regard to southern Africa. The objectives

of this conference cannot be understood to be free or independent acts directed at a truly non-aligned option for the African continent or its autonomy vis-a-vis the great powers."

The PS "regrets that the promoters of said conference ignored national interests by not accepting the PS's 29 July 1978 proposal for holding a conference of solidarity with the front line states which would include all political forces that are representative of Portuguese democratic opinion and not merely organizations, such as the Portuguese Peace and Cooperation Council, which have no popular representativeness and no significance other than being branches of worldwide soviet strategy."

Another "negative" point for the socialists is the fact that the organizers and promoters preferred to give importance to the Peace Council and the bloc that supports it, "to the detriment of authentic anti-apartheid activities."

This statement by the PS is justified by the participation of some socialist deputies in the conference. The PS pointedly stresses that they are participating "as individuals." It also recalls the great deal of attention socialists have given to the problems of southern Africa.

9935

CSO: 3542/50

PCE SEEKING TO RECOUP DISSIDENTS, MUSTER VOTES

Madrid TIEMPO in Spanish 7-14 Feb 83 pp 24-26

[Article: "PCE, Carrillism Sacrificed"]

[Text] Gerardo Iglesias hopes to take revenge in the forthcoming municipal elections. To do so, he has started a policy of renewal in PCE's [Spanish Communist Party] top echelons. He intends to recover not only a percentage of the votes lost on 28-0, but also many of the dissidents who left the party after the latest crises.

Gerardo Iglesias, who is (as Carrillo remarked at another time) a golden militant and a leader insusceptible to discouragement, has great hopes of retrieving not only many of those who left PCE, but also part of the electorate in the coming municipal elections. PCE has begun a new offensive for emerging from the deep-seated crisis to which it succumbed after the setback of 28 October.

There are signs of the awakening of the Spanish Communist Party. A few days ago, a general strike took place in Gijon, owing to the bad labor situation in Asturias. The PCE executive committee approved a document containing harsh criticism of the government's economic policy, "which has not, to date, differed basically from that of previous governments." At the same meeting of the executive committee, which lasted for 2 long days, the loyal Carrillist leaders were removed from the national secretariat to give way to the new team of Gerardo Iglesias. The battle was won with a price (44 votes in favor of the renewers and 32 against); which entails a motive for another confrontation between the party's two movements. Nevertheless, Gerardo Iglesias thinks that the results were not so disastrous as some imagined, when he proposed the change of names.

The fact is that Jaime Ballesteros, a sworn follower of Santiago Carrillo, has been removed from the organization secretariat to turn over the position to Francisco Palero, an unknown leader from Guadalajara. Enrique Curiel has been named general vice-secretary, filling a vacancy left by Nicolas Sartorius during the last crisis. Also leaving the secretariat are Leopoldo Alcaraz and Anselmo Hoyos, replaced by Jose Maria Coronas and Palero himself.

Carrillo Silent

The renewal is rather minor, since Ballesteros is continuing as general vice-secretary, and the historical Carrillists, such as Ignacio Gallego and Romero

Marin are still in their posts. In any event, Santiago Carrillo, who is now out of the secretariat, battled during the executive committee plenum to prevent the revamping; and apparently, since the debates were not disclosed, harshly criticized the changes in leadership. Carrillo refused to make the slightest comment. He told me: "Ask the official sources; I am not willing to say a word, and I shall speak only when I deem it fitting." The successor designated by Carrillo has shocked all of those who imagined him to be a mere spokesman for his propositions. Gerardo Iglesias is willing to impose his own ideas which, as he says, "coincide completely with the Eurocommunist line. The experience of my life in PCE has shown that I always uphold my criteria."

Obvious Confrontation

Despite the fact that events, and rumors as well, demonstrate an obvious confrontation between Iglesias and Carrillo, both refuse to let it be revealed to the public. The new secretary general confined himself to complimenting his predecessor when we asked him about this confrontation: "Santiago is a great political talent, and he has made major contributions to PCE, to the labor movement and to the transition." Nevertheless, he admitted that there was no return for him, and that the situation is by now irreversible.

Gerardo Iglesias' great hope is to recover the leading personages who recently left the party. Nevertheless, it does not seem that the stars of other times are in favor of the endeavor for the return; with the exception of a few artists who, according to Gerardo Iglesias, have made a statement on behalf of his renovation. Victor Manuel and Ana Belen showed up at the last reception that the Central Committee gave for the representatives of the Third World liberation movements.

The historicals, such as Ramon Tamames, Pilar Brabo, Carlos Alonso Zaldivar and others, will not return. They have said so on numerous occasions. Tamames reiterated it to us in a categorical, unequivocal fashion: "When I left, I said this very clearly: I am going forever. And I am not interested in returning to a place where everything has been done so badly, and where everything is still continuing to be done so badly."

Included in the tally are those who decided to join other parties, such as Roberto Lertxundi, Eduardo Mangada, Alfredo Tejero and many of those who set forth in the adventure of the Association for Renewal of the Left (ARI), an abortive attempt to agglutinate many of the dissidents from the traditional parties of the left and the extreme left.

Operation Return

With regard to all of them, Gerardo Iglesias admitted that he did not have any hope of their return to the party. "The majority are people who are separated not only from PCE, but from the Communist movement itself. When I speak about recovering militants, I am referring mainly to the medium-level cadres and to some who left because of a specific confrontation with the former leaders. In any event, I don't think that anyone is going to return for the simple reason that I am heading the PCE leadership. What I can claim is that there is already a flow of entries; and although I have not had time for personal contacts, I trust that

we shall retrieve many representatives of culture; because we shall devote special attention to this sector. To put an end to this matter, I am sure that the Social Democrats who were in PCE had to be situated elsewhere, as was proven subsequently."

PCE might have another obstacle in its path, with its trade union federation, Workers Commissions; although the party and union leaders are also striving to conceal the differences. Perhaps the government's policy and the confrontation between the business owners and the unions may serve to bring about rapprochement against the common foe between the party leaders and the union.

There Is No Truce

The PCE policy will be one of clearcut opposition to the Socialist government, which it has accused of "seriously imposing on the interests of the less privileged classes." There is a deepseated unrest over the government's position in the current collective bargaining, and they accuse the government of "not maintaining bold positions against the intransigent stance of management."

The PCE secretary general gives assurance that, "We shall not do anything on behalf of the failure of this government, but the best way of making it collapse is to let only the right and the de facto authorities be the ones to attack its measures." Gerardo Iglesias denies the existence of a truce involving no mobilizations until a fitting time elapses for the government to clearly define its policy. "A democracy needs mobilizations and street demonstrations; and participation in political activity is a right of the citizens and a democratic, constitutional attitude. When we talk about mobilizations (they say, after the executive committee's recent agreements), we do not mean a threat to the government, but rather a responsible position. Of course, if the agreement made in the collective bargaining is broken, mobilizations will be proposed in the negotiation of every contract."

Enrique Curiel, PCE's new strong man, who is heading the preparations for the municipal elections, knows that the party is staking its future. It is not a matter of putting a few names in to head the mayor's offices, but rather of achieving the integration of the residents', pacifists' and ecologists' movements, as part of the PCE strategy which, according to its secretary general, is offered as a means for political participation, while simultaneously calling for a policy of unity with PSOE [Spanish Socialist Workers Party], even though their concrete proposals are quite different.

PCE intends to recover some of the lost votes; otherwise, another defeat in the municipal elections would turn it into a merely testimonial party.

2909

CSO: 3548/197

PSC, PSUC, ERC TO CONSIDER LEFTIST STRATEGY

Barcelona LA VANGUARDIA in Spanish 2 Feb 83 p 11

[Text] PSUC [Unified Socialist Party of Catalonia] and Republican Left of Catalonia [ERC] representatives agreed at a meeting yesterday to ask the socialists to participate in a tripartite meeting. The ERC's initiative of rapprochement towards the other 2 parties that constitute the parliamentary Left implies an important change of strategy for it.

Antoni Gutierrez, Jordi Sole Tura, Rafael Ribo and Miquel Nunez represented the PSUC at the meeting. Herriber Barrera, Albert Alay and Marçal Casanovas represented the ERC. The topics discussed dealt with the overall aspects of the major problems affecting Catalonia. Next week's tripartite meeting will show the degree of harmony on specific questions. In this case, agreement on these questions could show if the ERC's rapprochement with Leftist positions is authentic. This would mark the beginning of a fundamental change in the ERC's position on the political spectrum.

Last night, ERC leader Albert Alay told LA VANGUARDIA it could be concluded from the spirit in which the talks took place that there was also agreement on specific questions. He added, "I do not know if this will also be the case with the socialists." With regard to the ERC's position vis-a-vis a censure motion against President Pujol, Alay also said that his party would not present it "but if another political force were to present it, we would see what we would do. We are ready to study all proposals, although it should be anticipated that we would not accept an alternative proposal for a unity government and our acceptance of a concentration government would depend on the program it would present."

Also yesterday, a Convergence and Union delegation and one from the Democratic Centrist Union of Catalonia--Democratic Center Union--respectively led by Jordi PUJOL and Carlos Sentis--met to continue negotiations aimed at forming the municipal ballot lists. The centrists will, in the end, place their candidates on the nationalist lists as "independents".

There was not a great deal of progress made at yesterday's meeting either. This is due to the great differences existing between Democratic Convergence and Democratic Union regarding a number of candidacies. This is especially

true in the Lerida district where Democratic Union has a well implanted organization structure. It is for this reason that Convergence and Democratic Union will meet next Monday to discuss the coalition's internal differences before it goes ahead with the negotiations with the centrists.

As for the centrists of Catalonia, the situation in some towns of the Tarragona district has become complicated. This situation is due to the fact that the People's Democratic Party [PDP] is carrying out a widerange campaign to rally centrist mayors and councilmen to its side. This can hamper the negotiations which the Democratic Center Union of Catalonia-UCD hoped to hold with the PDP in some Tarragona towns.

9935

CSO: 3548/153

POPULAR GROUP SPOKESMAN ON RAPID FAILURE OF GOVERNMENT POLICY

Madrid YA in Spanish 15 Feb 83 p 10

[Article by Julio Fernandez]

[Text] Government control and alternative are the slogans for the next 4 years among the 106 deputies comprising the Popular Group in Congress, bent on contributing to Spanish democracy in the legislature just starting the concept of a "very loyal opposition," now personified by its president, Manuel Fraga Iribarne, as leader. Seated there are representatives of six parties, Popular Alliance, Popular Democratic Party, Liberal Union, Aragonese Regionalist Party, Navarra People's Union and Valencian Union, united by what their spokesman, Miguel Herrero y Rodriguez de Minon, calls "the non-socialist model of society," which will be the bone of contention in the 1986 elections, if they succeed in adding the right and center forces that are still scattered. For the present, the group has reached an agreement with the Catalanian Minority to control the government jointly.

Herrero de Minon is "the voice of the opposition" in the semicircle at the Cortes palace: he coordinates and represents the Popular Group in the Chamber's organs, as he did during a period of the last legislature, with the UCD [Democratic Center Union] deputies; because he left after a serious dispute with the then president of the government, Adolfo Suarez.

[Question] How will the Popular Group deputies play the role of parliamentary opposition?

[Answer] The opposition has two fundamental functions: to maintain a constant alternative to the government, and to exercise control over the executive branch's action. We intend to keep our program offer, which received 5 million votes in the last elections, and which we think should soon receive majority support, alive and to make it explicit during every day of the next 4 years. With this goal, we shall put forth alternatives to the government's initiatives, which will extend to all sectorial areas.

Budget Alternative

For example, in connection with the general state budgets which will be submitted in the Cortes during the next few weeks, the Popular Group will devise a budget

alternative, consisting of detailed mathematical and financial tables, accompanied by their pertinent parliamentary progress, aimed at curbing the public deficit, and establishing a financial and collection policy, and a policy on spending.

In other situations, the group's position will have to be one of support for the government, as in the case of the defense of the Spanish status of Ceuta and Melilla, or when we praised the minister of interior, Jose Barrionuevo, when he said in the plenum that the police could return the attacks of hoodlums and criminals.

A second channel for making that alternative explicit consists of the law proposals, five of which we have already submitted: on agrarian chambers, income tax for natural persons, free education, private television and state aid to the press. Within a short time, we shall submit others relating to family protection, agrarian financing, the right to endowment and protection of privacy against cybernetic processes. In addition, we intend to amend the government's own proposals, with this same strategy, as we have done in the case of those submitted during the first months.

[Question] Which areas will require preferential control of the government's action?

[Answer] The two main areas on which we shall place heavy stress are putting the economy on a sound footing and the real intensification of freedom of information, endowment, education and privacy. In the first one, we maintain that it is only with a reduction in public spending and in the deficit that we can emerge from the crisis; and the alternative associated with the budgets will operate within these coordinates.

The control of the government will be carried out chiefly through rounds of oral questions, some on general topics, such as that relating to the public deficit which we shall submit this Wednesday, after we were refused last week. Concurrently, an intense effort will be made for written questions on more local issues.

As a more deepseated criticism, we shall submit 11 challenges to the government, which will be debated at the Congress plenum, resulting from the informational remarks being made by the ministers before the Chamber's Commissions, which will eventually end in motions to be voted on.

Concerned Over the Lack of Information

[Question] What is the Parliament's function with a government that is backed by such a large majority as the Socialist government has?

[Answer] We consider Parliament the major area for the government to report to the public. For this reason, we attach so much importance to the informational sessions and regard it as so serious when information is withheld from Parliament and from the Spanish people, as in the case of the public deficit, which is being handled suspiciously.

We are willing (if the minister of economy and finance does not reply satisfactorily to the publication in the latest "Bulletin of the Bank of Spain" concerning the changes in the criteria for valuation) to have the pertinent banking and monetary authorities, as provided for in Article 109 of the Constitution, appear to explain whether we are being told the truth.

[Question] What do you think of the legislative timetable that the government has submitted for this year?

[Answer] It seems very extensive to me; it reminds me of the UCD government's attempts to replace government action with legislative endeavor. Governing is very difficult; to do it successfully requires some degree of genius which I am afraid does not exist in the PSOE executive branch, nor did it in that of UCD either.

That business of announcing 118 laws in the next 11 months has not occurred in any parliament in the world; but it gives me the impression that the government itself does not have much intention of meeting the timetable; because, this week, we cannot hold a plenum since there are no government proposals that have been submitted in sufficient time. When they took office, they said that they had 300 bills ready. I think that it would be better to govern than to legislate.

[Question] What causes have been delaying the agreement for the appointment of the magistrates for the Constitutional Court since December?

[Answer] We have already publicized our opinion, and the talks with the Socialist group have been opened. We think that the more this issue is made objective, is depoliticized, is dissociated from parties and is treated dispassionately, the better; because the replacement of the Constitutional Court magistrates must not be a matching of anyone's strength against that of anyone else.

[Question] What parliamentary vicissitudes would have to occur for Felipe Gonzalez' government not to last for the entire legislature?

[Answer] One cannot predict what could happen in 4 years. For the present, the government has a majority that guarantees its security and stability; and it is a good thing for Spain to have a stable government, just as the hegemony of the opposition group guarantees the possible changeover, of which we are already observing a need. We regret that it should happen this way, because it would be beneficial for Spain if the government were to succeed in its endeavor; but we are not surprised at its mistakes with regard to the agrarian sector, the professions and the civil servants, the deficit, public spending and education....

We have found that our electoral misgivings have been confirmed: the government is doing as poorly as we expected, but faster.

'The Shadow Government'

[Question] Has the Popular Parliamentary Group been organized to act as a shadow government and administration?

[Answer] We have adopted the normal division in legislative commissions, and named area spokesmen who in the Anglo-Saxon world are the ones each of whom monitors a ministry and directs the sectors of parliamentary activity. This hypothetical "shadow government" would have as members Fraga himself, for constitutional affairs; Jorge Verstrynge, for defense; Beltran de Heredia, for education; Jose Luis Alvarez, for culture; Abel Matutes, for economy; Pedro Schwartz, for budgets; Gonzalez

Estefani and Antonio Siso, for industry; Fernando Suarez, for labor and social security; Jose Maria Ruiz Gallardon, for justice and interior; and Alvaro Simon and Joaquin Panos, for agriculture.

[Question] What is your opinion of the performance of the other groups in Congress? Is there a possibility of taking any joint action?

[Answer] The Socialists have not been heard from; we do not know what they think, and we assume that they will think the same as the government does. I shall not discuss the Mixed Group. The other minorities have maintained varying positions, agreeing with us in many respects concerning the model of society.

We have already carried out joint initiatives with the Catalanian Minority, at the time of Boyer's appearance to explain the decrees in the economic, financial and tax areas; and we shall arrange more mutual action in the areas relating to control of the government, which will be shown in the future. We unquestionably agree with PNV [Basque Nationalist Party] on several issues, also as a result of a non-socialist model of society. There are not any bad relations with the UCD deputies; what exists is a group whose problems are included in those of that party, which is something in a state of flux, for which I see no future.

2909

CSO: 3548/208

PSOE-PSUC QUALIFIED ELECTORAL COOPERATION ; PSC-PSUC TO CHECK RIGHTISTS

Barcelona LA VANGUARDIA in Spanish 15 Feb 83 p 12

[Text] The Socialists will not make a pact with the Communists to form municipal governments if the former obtain a majority. Nevertheless, they are willing to make agreements with PSUC [Unified Socialist Party of Catalonia] in those municipalities where the mayor's office would remain in the hands of the right: CiU or Popular Alliance, in the event that they were not made.

These statements were made yesterday, on Rubi radio, by Joan Reventos, first secretary of PSC-PSOE [Socialist Party of Catalonia-Spanish Socialist Workers Party]. The comments made by the Socialist leader preceded the meeting of the executive body at which the municipal strategy was finalized, in anticipation of the meeting of the PSC-PSOE National Council next Saturday, which will have to make a statement concerning the candidates who will be running in the municipal elections throughout all of Catalonia.

Internal Tension

The formation of candidacies has revived tension between the two major movements in PSC-PSOE, the Catalanian-oriented and the Spanish-oriented; tension which the election victory of 28 October had largely dispelled. In Rubi, the Socialist group has been "guided": in other words, its operations have been controlled, in view of the problems that have arisen among its members.

Last Friday, the PSC-PSOE group in Rubi headed an agitated function. On the occasion of the submission of the electoral list for the Rubi town hall, Joan Reventos went to that locality. The presence of the first secretary of the Catalanian Socialists was used to deliver to him a document containing an attack on the current Socialist leadership, accusing it of adopting undemocratic measures without discussing them with the members. The document, signed by 300 persons, including three council members (one of them, Alfredo Cernuda, has resigned from his post), was prepared after the publication of the Socialist Party's decision to suspend the political authority of the Rubi local assembly and executive body, putting the group under the guidance of the district executive body.

The signers do not accept the municipal list, headed by Joan Arch, and are of the opinion that the sector from the PSOE Catalanian Federation is not sufficiently represented on it.

Letter From Tarradellas

On a different topic, it should be noted that there has been a public disclosure of the existence of a letter sent by the former president of the Generalitat, Josep Tarradellas, to Joan Reventos. In statements made by the Socialist first secretary to the newspaper AVUI, he claimed that, after the meeting which took place between Josep Tarradellas and a Socialist delegation headed by Reventos himself, "President Tarradellas sent me a letter in which he clearly told me that he had succeeded in ascertaining the coincidences on the essential problems affecting our country's existence, and told us that he is gratified to observe that we are acting without prejudice, and that this is a correct way of working in politics."

Reventos also declared that Tarradellas had literally voiced fear that, "With every passing day, the dream of giving an active life to the institutions is vanishing, and there are personal ambitions which are devoid of concern for the country," and said that he "views with interest the effort that we are making to overcome this."

2909

CSO: 3548/208

DISPARATE VIEWS ON STRIKE TURNOUT BY TOP GOVERNMENT EMPLOYEES

Madrid EL PAIS in Spanish 16 Feb 83 pp 1, 41

[Text] The strike to top government employees belonging to the top management of the State Administration was supported on its first day by 23 percent of their number, according to the official government spokesman, and by approximately 70 percent, in the opinion of the Federation of Associations of Top Management of the State Civil Administration [FEDECA], the body that called the strike.

The larger percentage of those answering the call to strike were the diplomats and the employees in the office of the Ministry of Finance, whereas the Civil Administration Specialists, Statistical Experts and State Commerce Specialists at the last moment decided not to join the strike. In any case, the effect on the normal operation of the state bureaucratic apparatus seems to have been minimal. The strike continues today and tomorrow.

There are two different assessments of the strike of top government employees, depending on which source supplies the information. In the opinion of the government, reported by its spokesman, only 3,000 employees of the 12,900 who go to make up the total work force of the top management failed to report for work. The strike committee of the FEDECA, on the other hand, states that "morally, 100 percent of the upper level employees support the call to strike."

From these two assessments two facts stand out clearly, namely, that the major agencies of the administration, a good share of which are staffed by top management employees, did not support the strike and that the maintenance of minimum services required that a large number of employees report for work, despite the fact that they wanted to stay out on strike. Members of the FEDECA strike committee stated that the government had deflated the actual number of striking employees.

Due to the fact that the strike had little effect, the government spokesman stated yesterday that it is not necessary for the time being to issue the minimum services decree, although the Ministry of the Presidency will give instructions that steps be taken to withhold the salaries of the employees who supported the strike. In any case, the strike was more significant among the employees of finance and foreign affairs. In a note made public

by the government spokesman, it is stated that "the greatest impact percentage-wise involved the career diplomats, finance inspectors, finance treasury auditors, customs inspectors and state's attorneys." According to this report, 85 percent of the diplomats in foreign affairs took part in the strike; in any case, no general administrative office or legations abroad were appreciably affected by the work stoppages.

In concrete numbers, the employees of finance were the most prone to join the call to strike issued by the FEDECA: 2,400 employees, representing 55 percent of the total, are said to have struck, both in central services (Madrid) and in the provincial delegations. According to the strike committee, the response of these groups was 100 percent, except for those employees who reported for duty to provide minimum services.

In other ministries, the percentages were appreciably less, according to the report provided by the Presidency of the Government, and thus in Public Works, 180 of the 657 employees on the rolls are said to have gone on strike, while in Agriculture, the total number of strikers reported was 166. According to these data, 32 employees in Industry and virtually all of the engineers in Mining went on strike; 22 in Education and Science; 13 in Labor; 11 in Culture; 8 in Transportation, Tourism and Communications; the same number in Territorial Administration; 5 in Interior; 4 in Health and Consumer Affairs, and only one in the Ministries of the Presidency and Justice.

Salary Deduction

Due to the fact that the strike had little effect, although in other circles it is reported that the duty rosters of the various ministries for yesterday showed no entries, the government spokesman feels that now is not the opportune time to issue the minimum services decree, although the Ministry of the Presidency will give instructions to the undersecretaries that steps be taken for normal withholdings of the salaries of those employees who are on strike.

The decision of the FEDECA to go on strike was not obeyed by either the State Civil Administration Specialists, the most heavily staffed bureau of all, or by the State Statistical Experts and the Commerce Specialists. The Bureau of Statistics, in assembly, decided unconditionally not to join the strike, while the Commerce experts are reported to have decided not to join the strike in the expectation that a salary supplement may be granted for distribution among them. The Statisticians, who are participating in the FEDECA as invited guests, are at this time considering the possibility of not joining the federation in view of the discrepancies existing with respect to the nature of the call to strike.

The strike committee has indicated that it regards yesterday's action as a success and that the call for absence from work is in force for today and tomorrow, and that the strike will go on indefinitely, beginning with the

18th of the month, although from that point forward it will be reduced to two hours per day. For their part, the members of the negotiating board of the administration--the CCOO [Workers Commissions], the UGT [General Union of Workers] and the CSIF--in a joint note declared that the "so-called federation of top management represents a small segment within the Central Administration and can, in no case, accede to a board of this nature."

In the opinion of the FEDECA, although the matter of the salary offer is not the most important element justifying the call to strike, the 12 percent proposed by the administration is low, since in the last 6 years the salaries of government employees have been increased by much less than those of the rest of Spanish workers.

8089

CSO: 3548/181

BASQUE LEADER ON PROSPECTS FOR REGIONAL PEACE

Madrid EL PAIS in Spanish 20 Feb 83 pp 18-19

[Interview with Basque Autonomous Government President Carlos Garaikoetxea, by Daniel Gavela; date and place not specified]

[Text] A little over a month ago, Carlos Garaikoetxea issued an appeal to the Socialist Party of Euskadi [PSE] and Herri Batasuna [HB] to sit down, together with the Basque Nationalist Party [PNV], at the "peace table," so as to seek a political solution to the violence; but the terrorist escalation of ETA [Basque Fatherland and Liberty Group]-Military, with a toll of five deaths, made the convocation impossible. The entrenchment of ETA-Military and, consequently, of the hard line in Herri Batasuna, is regarded by the "lendakari" as the essential reason for the failure of his proposal. In Garaikoetxea's view, the Socialist demand for a formal cease-fire declaration on ETA's part may constitute an obstacle to the atmosphere of normality required for negotiations. The "lendakari" told this newspaper: "I am convinced that, sooner or later, this is the course of action that will begin, and that those who are now rejecting this method will long for it."

[Question] What made you think that this was the right time to propose the opening of these talks?

[Answer] There is a series of facts which prompted me to think that there was a chance of opening a serious dialog for the pacification of Euskadi. On the one hand, there is the almost unanimous desire of our society to search for a negotiated solution. There is also, in my opinion, a new situation that has existed in Herri Batasuna and the world close to it for some time, the debating of which could be an example for a possible return to the institutions. Those who subsequently reproached me for a lack of perspective on Herri Batasuna's willingness to hold dialog agreed with us that there were circumstances favorable to the negotiations. Finally, there is the fact, a very important one to me, that the Socialist Party, which has more democratic habits and, therefore, a greater capacity to embark on an adventure which requires a great deal of democratic courage, is governing.

[Question] Did your meeting with the president of the government confirm this assessment to you?

[Answer] The meeting took place after I had already put forth the idea through the news media. Since the issue was very popular, we talked at length, and I found the president of the government very receptive. He even enthusiastically discussed

one of the points which, on the other hand, he has recently described as a joke. I am referring to Navarra. Aware of the institutional role of the president of the government, I did not seek any pronouncement from him, but there was a serious discussion of something that was more than an idea.

[Question] What did you expect of this negotiating table comprised of the majority parties in the Basque Country: PNV, PSE-PSOE [Spanish Socialist Workers Party] and Herri Batasuna?

[Answer] I observe two phases in this proposal. The first goal was to sit down at a table to hold dialog, and later they could embark upon negotiations per se. But now it is important to sit down for a dialog with those who are not talking to each other, in an attempt to attract to democratic action those who are detached from it. It is absurd to propose, as an alternative for the pacification of Euskadi, negotiations among the groups who are maintaining a constant dialog in the institutions. I do not think that there has been sensitivity to perceive this twofold goal, and to break the vicious circle whereby it is attempted to have the very issues which are the reason for the main discussion resolved in advance.

[Question] You put forth five points to be placed on the table initially. Why did you choose those five issues, and what is your proposal on each of them?

[Answer] There was a first point, namely, the cessation of violence, which was the goal around which the other issues revolved, and which lends meaning to the negotiating table itself. Secondly, the possibility that independence-oriented options might join in the democratic action and become legalized, something which could prove good for everyone; because in this way we are putting an end to what is an injustice for these options, while at the same time depriving them of the alibi for combating a system because it is keeping them in semi-clandestine status. Underlying this is the acceptance of ideas which cannot be repudiated from a democratic standpoint, because they do not run counter to the system; and, furthermore, we have seen in the last elections totalitarian groups, which are overtly opposed to the survival of democracy in Spain, able to introduce their candidates.

[Question] The third point for analysis that you proposed is the degree of self-government in the Basque Country.

[Answer] That is the fundamental problem for this country. There is here a great demand for self-government and, like it or not, for national consciousness and claims. It was interesting to define a self-government that could deserve being called such, and that addresses this nationalist sentiment proportionately. It would be good for everyone, because those with a rupture-oriented position are probably, from their vantage point, mythicizing and aggrandizing the miseries of the self-government process. By sitting down at a table, we might dissuade them from this skepticism, explaining to them the extent to which self-government could go, not only in the police area, but also in many other respects vital to this country, such as the economy and culture.

[Question] Do you consider this intensification of self-government possible, within the context of the present statute of autonomy and of the Constitution?

[Answer] I think that all of this is quite possible within the statutory context, but I am willing to go forth and defend these ideas at a table, and to convince them that I am correct; which does not mean that, if they convince me, the contrary could be accepted sportingly. In this connection, I believe that some of the most authoritative Socialist spokesmen, perhaps with a view toward other galleries, have succumbed too much to rhetorical positions that have not exactly contributed to the opening of the dialog.

As I see it, there is an unexplored territory, at least jointly, insofar as the possibilities contained in the statute are concerned; and, by sitting down at a table, it might be possible to convince of their viability those who are now denying it. The gentlemen at that table associated in some way with the authorities in Madrid, in turn, when embarking upon an analysis of the nationalist problems and sentiments, would not say such nonsense as the claim that 80 percent of the statutory development has been covered. That is nonsense, both in quantitative and qualitative terms.

'The First Thing Is the Holding of a Referendum in Navarra'

[Question] A solution to the Navarra issue was the fourth point that you proposed. Which solution do you consider viable?

[Answer] On that subject, I mentioned only one thing: The search for conciliatory solutions which, in any event, must be based on the most scrupulous respect for the wishes of the Navarrans. I thought that Herri Batasuna would respond to me by saying that, from its standpoint, Navarra is an indisputable fact. And it turns out that, whereas it was aimed at one opposing faction, the one that it annoyed was the other opposing faction. What does my proposal mean? First, submission to the desires of the Navarrans; in other words, for a referendum, which is a controversial issue that should not be depicted as a "yes" or "no" to Euskadi. The Navarrans should be offered a gamut of solutions, which could range from a mild association to complete integration.

My proposal for dialog cited a fifth point, which was the need to study methods for social rehabilitation of those who are willing to give up the armed struggle; and we have some examples that could serve as a guideline for us.

[Question] At the present time, it would appear that the intensification of self-government is encountering a concrete issue, namely, the development of the Basque autonomous police. Has this situation been cleared up?

[Answer] Actually, no concrete step has been taken, and a section of the statute to which the Basque population is very sensitive has been brought into question. We have undergone well-known problems which I would like to think are about to be resolved; but we still have an urgent need to move from good words to deeds. Specifically, it would have been enlightening to hold a debate on the autonomous police at this table which we are proposing. We might possibly have convinced Herri Batasuna that the Basque police are not a joking police, and determined with PSOE what is and is not beyond the community area with respect to police.

[Question] If it is a matter of opening a political dialog among the forces with the largest parliamentary representation, why do you propose this table, rather than holding that debate in the institutions, the Basque Parliament for example?

[Answer] Very simple. The problem is precisely that Herri Batasuna does not believe in the institutions, and what is involved is convincing them, after a prior explanation, that it is worthwhile engaging in institutional action.

[Question] Were there previous soundings taken of the parties' willingness to hold dialog, because the failure of your proposal appears to indicate the contrary?

[Answer] I held talks with PSOE leaders, and we agreed both that there was subject matter for negotiation and that there were favorable conditions for it. Hence, it is not responsible to claim that the table has failed because there were no previous checks made.

[Question] You have mentioned increasing difficulties interposed by Herri Batasuna. Could you be more specific and, after all, do you consider it possible and likely that there will be negotiations with Herri Batasuna?

[Answer] I believe that there are in HB sectors opposed to negotiations, just as in the case of ETA. And, in my view, the hard lines have been imposing themselves and, as a result, obstacles have arisen to the establishment of the negotiating table. But I am also certain that there must be considerable upheaval within the HB leadership and its rank and file. The very debate on whether or not it was necessary to enter the institutions was already telling, before I proposed the peace-making table. What is important and possible is that, within HB and its world, negotiating positions, truly negotiating positions, may end up prevailing. And for this purpose it is necessary to keep alive the idea of a table, and to provide the essential conditions, and not one more, for the talks to begin.

For example, to consider an atmosphere of normality and absence of attacks essential is not the same thing as solemnly demanding a public, formal declaration of definitive abandonment of arms and the surrender thereof to the competent authorities. This latter might be highly desirable, but it is precisely the end of the problem that we are attempting to solve; and, from the standpoint of one of the parties, a vicious circle is occurring. I know that this might be shocking, but problems are solved only by considering the real approaches to them, not those which each party would like to have occurred.

[Question] On the other hand, you and your party have been very hard on PSOE, when this party had always claimed that it would not negotiate if attacks took place. Why that hardness toward PSOE?

[Answer] I have stated, and so has my party, that ETA bears the vast responsibility for having destroyed, in a bloody manner, the atmosphere of normality on which I, and I believe others, as well, were counting. ETA is responsible for having destroyed that atmosphere. If we have attacked PSOE, it is because it has made statements which were very painful and very unjust for the Basque Nationalist Party.

'The Table Is Not a Trap for PSOE'

[Question] Does not depicting this table as the only political method for seeking a solution to the violence, and its first obstacle, entail a risk of giving ETA-Military political cover at a time of great social repudiation of this organization? Does not your proposal represent a trap for the Socialist Party which, after all, is the party in the government?

[Answer] I think not. I believe that we have categorically stated ETA's responsibility for the collapse of the negotiating table. As for the second part of your question, I think that the trap was one for all the spokesmen although, understandably, the party in the government bears a greater responsibility, because it has more power. Therefore, I realize that it might be uncomfortable for the Socialist Party, but it all depends on how things are done.

[Question] In a recent communique, you reproached the government for having been inclined toward the police measures as opposed to the policies for confronting the challenge from ETA terrorism. Is it not a false dilemma to propose policy measures or police measures, when they might be supplementary?

[Answer] Exactly: it is a false proposal. It cannot be said that these measures are for ETA, or these measures are precisely for a police proposal. We are overtly opposed to ETA, but we cannot be asked to remain idle when faced with strictly police-related proposals.

[Question] Do you think that the government is currently involved only in police-related proposals?

[Answer] Actually, I fear that it is. To date, a greater police presence has been announced to us and put into practice. The same thing does not hold true for the development of the statute. There, we are still in the realm of rhetoric. It lies in the government's hands whether the universities (as the law orders) or social security come under the authority of the autonomous government. And they go so far as to say that we have reached 90 percent of the transfers!

[Question] Since a political treatment of the violence is obviously necessary, don't you consider a weakening of ETA by means of the police beneficial for the pacification of the Basque Country?

[Answer] The fact is that a general said that ETA was a flu that was being remedied with an aspirin. Another one said that he would pursue them to the center of the earth. And, unfortunately, those statements, in other terms, are being made again now. And that is not true.

'The Police Cannot Cope With a Problem That Has 200,000 Citizens Behind It'

[Question] Would you issue an appeal for the population to cooperate with the police?

[Answer] I have already done so. I think that we have been extremely magnanimous (I don't like the term, but I shall use it); because we are being asked to

cooperate with the police while at the same time we are being denied such police, which are ours by law. So, I have put all that aside, and I said at the time that, if I knew where Orbegozo was, I would take the lead of those who went searching for him. I could cite other examples. Obviously, there is no police cooperation in a sector of the Basque population, and also, although it may be hard to say, there are serious misgivings among some of the citizens, because there is a very unpleasant memory of relations with the police. There is the conviction that they are being denied the right to have police of their own, and this contributes to those misgivings. We must not deceive ourselves: The problem of violence continues because the police cannot cope with a problem that has the backing of 200,000 citizens.

[Question] Although foreign relations are within the jurisdiction of the central government, would you ask the French Government to adopt measures against those in its territory who are extorting Basque businessmen and attacking the persons and stability of the democratic system?

[Answer] It seems to me that, since PSOE has its fraternal party in power in France, any appeal that the rest of us might make would be completely irrelevant. I would be surprised if they were to listen to the rest, and not to PSOE.

[Question] What plans do you have for the table, after this first failure?

[Answer] I am quite convinced that this is the course of action that will begin, sooner or later. I am involved in plans that I have taken on in their entirety, and I am certain that those who are now rejecting this method will long for it.

[Question] What do you have to say at present to PSOE and Herri Batasuna?

[Answer] I have asked HB to use that status as intermediary which it has proclaimed to make possible the existence of the normality that would cause the establishment of the table for peace to be viable. I have asked PSOE to move away from demands that might constitute an obstacle to the negotiations.

[Question] Whom did you address when you requested historic magnanimity and lofty views for emerging from the present Basque situation?

[Answer] Everyone; particularly those who have more power, because the one who has more power can always be more magnanimous. There have not been any historical circumstances that have been more or less difficult, and related to our situation, which have not been surmounted without scandal and disturbance at the outset among the parties involved.

2909

CSO: 3548/197

BASQUE POLITICAL FORCES DEMAND NAVARRE

Madrid EL ALCAZAR in Spanish 1 Feb 83 p 11

[Text] The Basque Nationalist Party [PNV] agrees with the "separatist" coalition Herri Batasuna [HB] and with the terrorist ETA-military [Basque Fatherland and Liberty Group] organization in having the province of Navarre annexed to the autonomous Basque community. The PNV believes that this is one point the parties which will participate in the so-called "peace table" can more easily accept. This is one of the points contained in the KAS [Patriotic Socialist Coordination] alternative.

In statements made to the Bilbao HOJA DEL LUNES, PNV senator Jose Azkarraga gave the following appraisal: "The PNV and HB agree that historic region should, on the basis of a prior referendum, become part of the Basque region. Also, the PSOE [Spanish Socialist Workers Party] should not forget that is openly advocated the integration of Navarre in the Basque region in its 1977 electoral campaign."

Senator Azkarraga also said, "The negotiations to re-establish peace in the Basque region should continue even if an act of aggression is committed." He expressed his opposition to HB's demand for reporters to be present at the negotiations. This demand caused them to be postponed.

The Herri Batasuna coalition will explain its current position toward Garaicoechea's proposal to hold peace negotiations at a press conference today. An HB spokesman did not want to explain some of the points contained in its most recent communique nor the statements made by the president of the Basque government indicating that he will not call for a tripartite (PNV, PSOE and HB) meeting "as long as Herri Batasuna does not change its position."

Saturday, the Basque nationalists said the "KAS alternative" will serve as the basis for future talks. They also said their role at the negotiating table will be that of mediator for future negotiations.

Meanwhile, the socialists are "at the disposition of the president of the Basque government and [they] will respond to his call when it occurs."

9935

CSO: 3548/157

EXTREMADURA FOR PROVINCIAL PARITY IN AUTONOMY SYSTEM

Madrid EL PAIS in Spanish 16 Feb 83 p 19

[Article by Julian Real]

[Text] "Beginning with the difference between the two provinces, autonomy is not viable in Extremadura today," in the opinion of Pedro Canada, leader of the Regionalist Party of United Extremadura, a party which, along with others identified as centrist or rightist, forms a common front in opposition to the Autonomy Statute for the region. The proportion of representatives in the Autonomy Parliament which the articles of the statute assigns to each of the two provinces, with a differential of five representatives in favor of Badajoz, has provoked a wave of protests in the province of Caceres, which last Sunday brought several thousands to the streets asking for equality.

"What unites the United Extremadura Party with the other parties is a common problem, not a common program, and our defense of the interests of Caceres does not subtract one iota from the regionalist nature of my party," Pedro Canada told EL PAIS. "We are convinced," he added, "that there are formulas which will permit the reestablishment of equality as was the intent of the rough draft of the statute. With the terms in which it has been edited, this statute will be stillborn and will not be successful in putting the desired autonomy into operation."

According to Canada, beginning with parity, it would then be possible to arbitrate alternative measures which would offer proportionate representation to the provinces on some specific matters, but of course, in his judgment, it is out of the question to approve a proportioning that offers one province advantages over another.

In Canada's opinion, equality of representation would presuppose the basis on which a more harmonious co-existence in the future could be established. "The people detect these instances of privileges in favor of Badajoz and it is not enough to say that this is not the case; we must prove it and convince them. Naturally, the road to autonomy will not be an easy one as long as this discriminatory treatment of the province of Caceres persists."

Parties of the Left, particularly the PSOE [Spanish Socialist Workers Party] see in the Caceres bloc, an election maneuver designed to promote the municipal election campaign. This accusation cannot be substantiated, but according to Canada, "what must not be done is to give these parties a chance to take advantage of the situation."

8089

CSO: 3548/181

FRAGA-LAVILLA MEETING WITHOUT REAL RESULTS

Madrid YA in Spanish 2 Feb 83 p 8

[Article by M. L. Garcia-Franco]

[Text] Little came out of the dinner meeting we reported on yesterday between the Popular Alliance's [AP] president, Manuel Fraga; secretary general, Jorge Verstryngge and Carlos Robles Piquer, and the Democratic Center Union's [UCD] president, Landelino Lavilla; secretary general, Juan Antonio Ortega and Marcelino Oreja. This meeting was held to negotiate possible agreements for the municipal and autonomous regions' elections. The AP leadership explained to the UCD leaders the almost unanimous position of AP local and provincial juntas against forming pact with the centrists. They added that an effort would be made to convince those who are not openly opposed to an agreement to sit at the provincial negotiating tables.

A list of the provinces where negotiations will be held will come out of a very high level meeting which is to take place tomorrow at the AP's new headquarters. According to AP sources, this list will not be very extensive. The Basque region is the only region where, in all certainty, talks will be held. Granted, the former general elections' agreement between both parties will be touched up because now the coalition will clearly revolve around the AP. Although Lugo has been excluded, it is possible that agreements will be reached in some Galician provinces. It is very possible that this regional pact may be amplified to autonomous government level. This would mean that the coalition would have an absolute majority in the Galician parliament. There is also a slight probability that talks will be held in some provinces of Castile-Leon and, with more difficulty, in Extremadura and Cantabria. AP sources say it is almost certain the joint lists for the municipal elections will not go beyond what is reported above.

Speaking of this, Jorge Verstryngge told YA yesterday that the situation in the provinces is constantly changing due to the movement of men from the UCE to the AP and the PDP [People's Democratic Party].

Moreover, there is the impression in the AP that the national UCD leadership does not control the party's internal situation at the provincial level. They cite the elections for the presidency of the Canary Islands

autonomous government as an example of this. The AP candidate lost that election "because four persons paid no attention to Lavilla and voted for the PSOE [Spanish Socialist Workers Party]."

AP secretary general Jorge Verstryngue and UCD secretary general Juan Antonio Ortega will meet again on Friday to review the provincial list which Verstryngue will give Ortega. Negotiations can begin at that time, followed immediately by discussions by both parties' local leaders on the terms of the agreement. Neither party has, up till now, given any details regarding the terms.

9935

CSO: 3548/157

CONSERVATIVE PARTY OPPOSES PALME NUCLEAR DISARMAMENT MOVES

Stockholm SVENSKA DAGBLADET in Swedish 29 Jan 83 p 6

[Article by Lars Christiansson]

[Text] In a private bill on peace and disarmament policy, the Conservative Party has sharply criticized the government's decision to support the demands for a freeze on nuclear weapons held by the superpowers. The Conservative Party feels that it is not possible to separate nuclear weapons from the balance of conventional forces in Europe.

The bill also says that the Swedish Government strayed from the principles that have guided Swedish disarmament efforts when it chose to support the demand for a freeze.

The Conservatives are demanding that Parliament again draw attention to the clear connection that exists between the imbalance in conventional weapons and the presence of various kinds of nuclear weapons in Europe. The government's conduct is harming the negotiations now underway between East and West.

The Conservatives feel that the demand for a freeze on nuclear weapons is not constructive because it is directed only at NATO's two-track decision. The program for the deployment of Soviet SS-20 rockets has now been completed and would not be included in the freeze.

Antagonism

The Conservatives say in their bill that wars are not caused primarily by arms buildups. Instead, it is political antagonisms among states that lead to arms buildups. In the great majority of cases, conflicts are a consequence of the opportunities that military imbalances create for aggressive states.

The Conservatives claim that the long-term threat to peace in Europe is closely associated with the Soviet grip on a number of nations in Central and East Europe. There is a close connection between work for human rights and national independence in East Europe and work to safeguard peace in Europe.

"Finlandization"

"A gradual 'Finlandization' of East Europe would be desirable. Finland has shown that it is possible to combine democracy and national independence with friendship with the Soviet Union."

The Conservatives say it is important that reassuring measures be adopted in North Europe to balance the effects that troop reductions in Central Europe might have. A troop reduction in Central Europe may lead to the stationing of more troops in North Europe.

11798

CSO: 3650/117

PALME SEEN READY TO COMPROMISE WITH OPPOSITION ON PROGRAM

Stockholm DAGENS NYHETER in Swedish 17 Feb 83 p 6

[Article by Sven Svensson]

[Text] Automatic increases in expenditures within the national social insurance system and agricultural cost adjustments based on inflation should be limited to 5 or 6 percent per year. This proposed compromise was offered by the Social Democratic majority in the parliamentary Finance Committee to the two middle parties. This limitation also would apply to the inflation-protection mechanism in state tax scales.

The Finance Committee in parliament will amend its report on economic policy today (Thursday). The middle parties now are deciding what position to take on the Social Democrats' turnaround in the area of social security.

A so-called expenditures ceiling first was proposed in the Center Party's motion on economics and now the Social Democrats have taken the bait. The motion pointed to a ceiling on expenditures as a possible way of limiting automatic increases in state expenditures.

At the same time, it was stressed that the inflation-protection mechanism in the state tax scale must be limited in the same way. The Social Democrats made special note of this in their majority report.

In the tax compromise for 1983 through 1985 between the Social Democrats and the middle parties, the inflation-protection requirements were indicated as 5.5 percent. After the devaluation, the middle parties demanded full inflation protection.

Redistribution

The Social Democrats' budget for January resulted in an increase in state expenditures by about 40 billion to 295 billion and an increase in taxes of 10 to 20 billion. At the same time, the budget deficit rose from 75 to 91 billion.

As a result, public expenditures now amount to 70 percent of the gross national

product of just over 600 billion kronor.

The middle parties stated in their motion that the public sector's percentage of the GNP must be reduced and they proposed certain redistributions to accomplish this.

Ceiling On Expenditures

The Social Democratic majority in the parliamentary Finance Committee has formulated its statement on the government's economic policies and proposes no immediate reductions in the public sector.

On the other hand, the Social Democrats met the middle parties, especially the Center Party, halfway on several issues.

The Social Democrats, for example, want to reexamine automatic mechanisms in the social insurance system and in farm subsidies.

The idea is to establish a so-called cash limit, a ceiling on expenditures, within the social insurance sector and on farm price supports, amounting to about 5 or 6 percent per year.

This means that full compensation for price increases would be given only up to this level and that the citizens themselves must bear the cost over and above this established level through reduced purchasing power. The purpose is to restrain demand for wage hikes.

Worsening

About two thirds of the expenditures in the national budget, almost 300 billion kronor, involves some form of automatic increases.

Expenditures in the social insurance sector amount to over 100 billion kronor per year. This sector includes the national basic pension, partial pensions, ATP (General Supplementary Pensions Scheme), health insurance, dental insurance, parents' insurance, and unemployment insurance.

Limiting the automatic upward adjustment to 5 percent, if inflation amounts to 10 percent, would mean a considerable loss of benefits in the social insurance system over a period of several years.

According to the agricultural agreement for June 1982 through June 1984, farmers are compensated automatically for increased costs of their means of production. In addition, farmers have a right to certain parity with other groups in society. On 1 July 1982 farmers received 860 million kronor in compensation for increased costs and on 1 January 1983 they received 928 million.

Review

The Social Democrats' plans for a future review of costs within the social insurance sector represent a turnaround since the election. The Social Democrats' four election promises meant that parliamentary decisions on qualifying days for sick benefits, full inflation protection for pensions, and better unemployment insurance were torn up. In addition, state subsidies for child-care were increased.

The Social Democrats stress in their report on economic policies that there is broad agreement between them and the middle parties on the budget situation and financial policies. Nevertheless, the budget deficit for 1982/1983 will increase from 91 to 93 billion according to the government's calculations, since tax revenues will be lower than previously believed.

It also was stressed, to accommodate the Center Party, that regional development is an important part of economic policies.

The middle parties do not believe that the devaluation will result in the major increase in exports predicted by the government. The Social Democrats pointed out in their report that the export situation is predicted to be more favorable than before.

The Social Democrats also are considering separating certain funds from the state budget, as called for by the Center Party. This would result in lower budget deficits, but it is primarily a bookkeeping measure.

9336

CSO: 3650/121

PALME'S WOOING OF MIDDLE PARTIES SEEN PART OF ELECTION TACTICS

Stockholm DAGENS NYHETER in Swedish 12 Feb 83 p 6

[Commentary by Sven Svensson]

[Text] Olof Palme's advances to the middle parties are aimed primarily at the time following the 1985 elections. That contest may well end in a total deadlock in parliament at a time when the economic crisis is crying out for compromises across the line separating the political blocks and despite personal phobias.

Before the 1985 election it will be impossible for the middle parties to cooperate with the Social Democrats. As a matter of political survival, the middle parties must strengthen their position among the voters. Cooperation with the Social Democrats would only favor the Conservative Party.

Arrogance

The arrogant use of power that characterizes the new Social Democratic government frightens even the middle parties. This applies to foreign policy, where the traditional consultations often have been ignored, but several other issues also may prevent long-term cooperation characterized by mutual trust.

Apart from the wage-earner funds, these issues also include the compulsory accounts in the Social Democrats' forestry policy and the tightening of the general clause against tax evasion.

In 1976 the nonsocialist three-party government was an historical necessity and the return of the Social Democrats to power in 1982 was a matter of political survival for Olof Palme. Palme had to regain power at all costs.

Now the government carrousel has spun around twice and voters have been given ample proof that even Social Democratic cabinet ministers are ordinary people, like the nonsocialist ministers before them. The parliamentary system has worked and all preconceived ideas have been eliminated.

Now the question is how many times the carrousel must spin around before voters decide they must support cooperation between political blocks by their actions

and not merely by their words.

Experiment

In a period of 6 years nonsocialist voters experienced a three-party government that split over nuclear power, a Liberal Party government that resigned after the 1979 elections, a three-party government that split over reduced taxes on extra income, and finally a two-party government that lost the 1982 elections.

That was a lot in a short time for frustrated nonsocialist voters. Nevertheless, there is a general consensus that the Falldin-Ullsten two-party government was the best political solution of these four experiments. Despite what Falldin thought in 1976, it was better to have the Conservative Party outside the government than inside the government.

Behind Closed Doors

First of all, it proved to be much easier to reach agreement between two parties in the government than among three parties that were fighting, for the most part, for the same voters.

The important lesson was that the Conservative Party found it much more difficult to carry out its policy of extortion in parliament than in the government.

The three-party coalition was based on the assumption that the government parties would negotiate common solutions behind closed doors, while in parliament compromises must be made in the open, according to predetermined voting rules.

The voting rules in parliament gave the conservatives clear choices. In general, the conservatives had to choose between supporting the proposals of the middle parties and allowing the Social Democratic alternative to pass. Blood was usually thicker than water.

The political extremes were able to join forces in only a few instances. This was the case, for example, with the middle-party government's proposal for new purification requirements for emissions from coal-fired plants. In this case, the Social Democrats and the Conservative Party, for entirely different reasons, formed an unholy alliance and defeated the proposal of the middle parties.

Giddy Geese

The middle-party government's policies were based on the fact that together they had more seats in parliament than the Conservative Party. In the newly elected parliament, however, the Conservative Party has more seats than the middle parties.

The 1985 elections certainly will be an even contest between the political blocks, as all other elections to the single-chamber parliament have been. On

the other hand, it is difficult to predict the distribution of seats among the nonsocialist parties. Nonsocialist voters run like giddy geese from one party to another and, in general, they fail to understand the significance of changing parties from the standpoint of political power.

If the 1985 election results in a nonsocialist majority in parliament, continued Conservative Party success could make it extremely difficult to form a new nonsocialist government.

The prerequisite for forming a new nonsocialist government with a modicum of strength is that the middle parties together must be larger than the Conservative Party. This would make it possible to form another middle-party government or a new three-party government, according to the wishes of the middle parties.

Election Defeat

Another election defeat for the middle parties would raise the question of whether or not it would be possible to form a nonsocialist government at all. The alternative, in this case, would be a Conservative Party minority government supported by the middle parties.

It is hardly likely that the middle parties would allow such a government. The Social Democrats certainly would not. A Conservative Party government would govern itself to death within 6 months or be forced to subordinate itself to the middle parties.

This hardly is the politically decisive aspect. In reality, Palme holds the key as long as nonsocialist voters continue drifting to the right. His wooing of the middle parties must be seen this light.

Palme is obliged to resign as prime minister only if he loses a vote of confidence in parliament. Thus, he can choose to remain as prime minister and try to make deals with the middle parties from time to time or negotiate for long-term political cooperation.

For Palme to lose a vote of confidence, the middle parties must joint with the Conservative Party which, in turn, assumes that the middle parties are prepared to form a government with the Conservative Party or, in any case, support a nonsocialist government of some type. In this situation, the middle parties risk having Palme call for new elections in which they could suffer new election losses.

Difficult

The other difficult political alternative is that the 1985 elections could result in a slim socialist majority, but with more nonsocialists than Social Democrats in parliament.

In that case, Palme would have to govern at the mercy of the Left Party

Communists--and that could be extremely difficult, especially during an economic crisis. In that situation, it may be assumed that Palme would attempt to bring about some type of cooperation with the middle parties, if possible.

In a political situation of that type, neither wage-earner funds nor compulsory accounts for farmers would be sacred.

9336

CSO: 3650/121

BRIEFS

THIRD F-16 SQUADRON APPROVED--"Deployment of the third F-16 squadron at Ålborg has now been approved," Defense Minister Hans Engell (Conservative Party) stated last Monday following a meeting of an 11-member committee composed of members of the five parties to the defense agreement, viz. the Social Democratic Party, the Conservative Party, the Liberal Party, the Center Democrats, and the Christian People's Party. At the same time, the committee discussed where to make the cuts in the defense budget which have been adopted. The defense minister says that a report will become available at the earliest possible date on the distribution of the savings. The savings of 320 million kroner will be distributed with 140 million kroner in 1983 and 180 million kroner in 1984. Subsequently, the defense agreement will expire which was entered into in 1981 between the present government parties and the Social Democratic Party. For 1983, 11 billion kroner have been allocated for defense purposes, 2 billion kroner of which for new acquisitions. [Text] [Copenhagen INFORMATION in Danish 8 Feb 83 p 2] 7262

F-16 PARTS, EQUIPMENT FUNDS SOUGHT--Defense Minister Hans Engell (Conservative Party) is seeking the support of the finance committee of the Folketing for the use of 86 million kroner for spare parts and equipment for the F-16 aircraft which will be stationed at the Ålborg air base. In addition, a few buildings will have to be made ready for the F-16 squadron at Ålborg and at Skrydstrup, and, for this purpose, the minister has applied for 12 million kroner. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 14 Feb 83 p 3] 7262

CSO: 3613/66

DANISH FOREIGN MINISTER DENIES CHANGES IN ISLAND NATO ROLE

Copenhagen BERLINGSKE TIDENDE in Danish 11 Feb 83 p 7

[Text] The defense of Greenland is not only an agreement between Denmark and the United States. It is an important point of support in the defense system and strategy of the West and thus also of NATO, and that will not be changed.

These were the words of Defense Minister Hans Engell yesterday in his report on the Danish-American defense areas in Greenland.

The Socialist Left Party and the Socialist People's Party had asked the minister on these defense areas and their control. In addition, they asked information on the "possible use" of the defense areas "in an American nuclear surprise attack, if any, on the Soviet Union."

Hans Engell answered that NATO's strategy is defensive. The philosophy is still that deterrence and thus prevention of a possible war is the decisive factor.

The minister further established that the installations of the defense areas over the years have been adapted to the technological developments without having assumed an offensive nature.

Denmark has, moreover, got an increasing share of the supplies for the operation and installations of the bases. The Danish participation in the American defense works may be estimated at approximately 400 million kroner annually. A total of approximately 1,400 Danes are employed at the bases, Defense Minister Hans Engell stated.

7262

CSO: 3613/62

BRIEFS

MORE FIRING RANGES FOR ARMY—On Thursday the government decided on expropriations and property exchanges in connection with armed forces needs. The government will expropriate an approximately 800-hectare area in the villages of Alakyla and Javarus near Kemijarvi for the purpose of extending the Rovajarvi firing range. The cost of procuring the property is estimated at 3 million marks. In the town of Kankaanpaa and the commune of Karvia 722 hectares will be expropriated as additional land for the Niinisalo firing range. The value of the procurement is about 6 million marks. The government and Rakennuskunta Haka [Haka Construction Company] will effect a property exchange in the capital district. Haka will give up an approximately 15-hectare area in Kirkkonummi for use by the Upinniemi garrison. In return Haka will receive a parcel in Kannelmaki, Helsinki. Both cessions are worth over 900,000 marks, so that no additional money is required. In Hameenlinna the government and the city will effect a property exchange in the village of Hatila. The exchange is in connection with the extension of the Hameenlinna garrison firing and practice range. No additional money will be required in this deal either. [Text] [Helsinki HELSINGIN SANOMAT in Finnish 5 Feb 83 p 9] 11466

HAWK AIRCRAFT ARRIVE IN KARELIAN SQUADRON—Kuopio (HS)—The Karelian Squadron received the first Hawk trainer-fighters for its use on Thursday. Two Hawks landed at Rissala Airfield in the afternoon. The Hawks will replace the obsolescent Fouga Magisters which are to be removed from service in 1984. The Karelian Squadron will receive the rest of its planes by spring. The Satakunta Squadron in Pori and the Lapland Squadron in Rovaniemi are already training their fliers with the new planes. [Text] [Helsinki HELSINGIN SANOMAT in Finnish 5 Feb 83 p 9] 11466

CSO: 3617/75

DGA REPRESENTATIVES PERFORM QUALITY CONTROL FOR WEAPONRY

Paris DEFENSE in French Dec 1982 pp 42-44

[Article by Engineer-General Benetreau, Center-East regional director of the SIAR (Industrial Armaments-Oversight Service): "Quality Control of Armament Materiel"]

[Text] In the "price-quality-time" triptych, the idea of quality is certainly what the user of any given armament materiel is most sensitive to; the fact is that any defects or imperfections in conception, manufacture or maintenance that could not be foreseen, detected and corrected in time, throughout the industrial process, do not fail to be revealed on the occasion of daily use, with the resultant consequences.

Thus, even if quality was not made clearly explicit at the outset, it obviously must be assured.

Means for Promotion of Quality of Armament Materiel

The present complexity of weapons materiel and systems has also made the notion of "supplier" a complex one. Once the requirements of the customer--in this case, the general staff responsible--have been defined and fixed, three joint partners are involved for the "supplying" of the quality.

There is first of all the technical directorate responsible for the program. In order to obtain materiel meeting the overall need expressed by the general staff, it is up to the directorate to establish the objectives stipulations defining the supplying of the item--objectives of performance characteristics, reliability, maintenance, etc; time-schedule objectives and planning for the overall realization and the significant stages of the development; economic objectives of cost, financing, etc--and to establish overall control for the progressive fulfillment of the whole of the program. The technical directorate also has the responsibility, as regards the General Delegation for Armament, of tracking the design studies and accepting the definitions of the items of materiel; it is therefore responsible for quality assurance at the design level.

It is then up to the industrialist to meet the contractual objectives. This means calling on all of the firm's organs--in their respective areas and responsibilities, of course, but taking account also of all the interactions: the

human resources, the equipment, the methods and organization, the financing, etc, all have a joint influence on the time-schedules, the quality, the costs. Quality in particular, which flows from the choice of the solution adopted, the nature of the technologies put to use, adequation of the methods and means of production, the particular capacities of the personnel, is to be conceived within a coherent whole whose reliability must be founded on appropriate organization and methods.

Finally, there is the Industrial Armaments-Oversight Service. The SIAR, representing the DGA to the industrialist, is responsible first of all for overseeing the work and fabrication--that is, for achieving certainty, by means of technical interventions that are appropriate and variable in scope, that at each stage of the production process, from the basic materials to the finished materiel, and for each constituent part or subassembly, the manufacturer is indeed meeting the specifications required. It must then, as the outcome of the preceding actions, note formally that the materiel delivered effectively meets the objectives fixed. It must also make sure that throughout the course of the contract, the manufacturer has taken and maintained the appropriate organizational measures with a view to achieving satisfactory final and overall quality.

The Parties Responsible in the Assurance of Quality

While the first two aspects of the SIAR's action as described above are related directly to the more or less conventional notions of control and testing, the final mission relates specifically to assurance of quality, the necessity, end purposes and modalities of which were examined in the preceding article. For greater certainty in the matter of quality, clauses regarding means, obliging the manufacturer to have a coherent quality-assurance organization, have been added to the contracts' clauses on objectives.

Each has his own domain and prerogatives. For a given item of materiel, permanent contacts and a real work team are set up among the general staff, the technical directorate, the industrialist and the SIAR in order for quality to result mainly and precisely from breakdown of the walls and frontiers between the various responsible parties involved.

An essential means with which the DGA has provided itself for this purpose is, as is known, the "Regulations on the Obligations of Suppliers of Armament," or ROFA, and its three appendixes, the Regulations on Quality Assurance: RAQ-1, RAQ-2 and RAQ-3. It is not possible to present an exegesis of these documents here, though they represent only some 30 pages in their current edition. We mention that the ROFA adopts and particularizes the basic principles generally accepted in the field of quality assurance, taking into account the recent evolutions on the national level as well as the international level, and that the RAQ's, complementing the ROFA, detail the more or less extensive obligations relative to the organization, procedures, methods and means to be implemented in function of the nature of what is to be supplied: while RAQ-1 applies to work involving a sizable proportion of design and conception and/or concrete realization of complex materiel or systems, RAQ-2 is suited to products for which detection of possible "nonqualities" requires control during fabrication, and RAQ-3 applies to those whose quality can be assured by appropriate final control.

These regulations only set out explicitly measures that are already broadly applied in the armaments industry and in other fields for developing quality assurance. On the basis of the experience acquired, they take the economic imperatives into account, stressing the necessary and sufficient character of the measures to be taken. In addition, they are nondirigist in conception, with the requirements regarding means--organization, methods, procedures, quality manuals, etc, fixed essentially in terms of end-purposes, with unforced general rules. The industrialist has responsibility for appropriate definition of them for his firm and its supplies and for application of them, which must function "to the satisfaction of the SIAR."

The ROFA and the RAQ's, approved by the General Delegate for Armament on 28 January 1980, are now contractual and must be included as general quality-assurance clauses, and supplementary requirements (quality plans, for example) may be formulated for certain particular developments. They are naturally the reference points which the SIAR uses for evaluation of the quality-assurance systems: inspections designed to determine whether the industrialist does indeed have the RAQ class desired or to situate him from that point of view; audits of procedure, product, process, designed to ensure maintenance of the system in optimal condition, or to check on application of corrective actions previously decided on. In addition, on the level of international cooperation and international exchanges in the area of armament, their regulatory character is of particular importance, mainly by reason of the equivalence of RAQ-1, 2 and 3 to AQAP (Allied Quality Assurance Publications) 1, 4 and 9, recognized within (and outside) NATO.

Promotion of Quality in Industry

The ROFA and the RAQ's are therefore the regulatory basis of the SIAR's action in the matter of promotion of armament-materiel quality. Upon the expiration of the current temporary period, any supplier of armament should therefore not only have been evaluated but also should have received attestation of the RAQ class required for the items he supplies. In this regard, the SIAR does not behave like a jury charged to separate the good from the evil coldly and without appeal. It acts far more in the direction of improvement of the industrial fabric relating to armament. Its actions in this regard derive from the provisions of the contracts, but they are also very largely represented by a sum of recommendations, advice and observations which the numerous contacts make it possible to express in a more informal manner.

It appears that the role of the SIAR is perceived particularly well in this area, and even though their regulatory character as proved to be a persuasive argument in certain situations, the requirements of the ROFA and the RAQ's have been well-received as constructive factors that help to promote quality, especially in view of their concern for the necessary seen as limited to the sufficient. While the companies that design weapon systems have long recognized the necessity for appropriate quality systems, it must be stressed that the medium-size (and small) firms are now proving particularly interested: the necessity of bearing the cost of nonquality is, in the current economic conditions, just as strong a stimulus as the desire to have the RAQ certification. At present, of the roughly 2,500 firms of all sizes considered to be working

regularly in armament, more than 1,600 have already been evaluated in terms of RAQ 1, 2 and 3 (respectively, on the order of 70, 500 and 1,000).

Just as was noted on the occasion of the development of the nuclear power-plants program, the operations to promote quality in the armaments industry have a pull-along effect in the related industrial sectors. This is all the more so because, since the RAQ's are entirely coherent with the French norms on quality management and assurance, the measures that they recommend or induce fit normally into the general policy for promotion of quality in French industry. In addition, the equivalence--already mentioned--with the AQAP's is of some interest for the French industrialists' brand image abroad and for promotion of their products.

Promotion of Quality in the DGA

In view of the requirements that it defines and imposes on the industrialists, and the benefits that it expects from them, is the DGA itself at least in accord with its principles, and does it have a coherent quality-assurance system for itself?

One notes first of all that no distinction between private industrialists and state establishments has been made above: apart from the particular provisions governing them in the matter of control, the state establishments have the same obligations as regards the rules of the art, and therefore as regards quality. What is more, by reason of the importance of the contracts that they enter into in industry and that normally refer to the ROFA and the RAQ's, they participate in an essential way in the pull-along effect toward quality.

As regards more particularly the DGA as a whole, it is well-known that a series of general provisions was recently established, on 7 May 1982. They comprise essentially:

- creation of the Quality-Management Council, chaired by the delegate himself and comprising, in particular, technical directors and the director of the SIAR. This Council is charged to define the orientations of the DGA's quality policy;

- creation of the Quality-Assurance Mission, or MAQ, attached to the SIAR's director and responsible, under the action of a small number of engineers, for working out the doctrine and the general regulations, and the internal and external actions that follow from them;

- confirmation of the existence of a person in charge of the Quality Mission in each technical directorate.

These new structures do not represent an attempt to create quality in the DGA out of nothing: the ROFA and the RAQ's are the proof of this; it is rather a matter of gathering together, within a common organization, the strands of action developed by the Technical Directorates and the establishments and giving them, within the framework of joint reflection, an impulse and orientation that are in line with the unique responsibilities of the DGA in the French armaments industry.

Quality management and assurance, thus taken into account by all the partners and at all levels, cannot help but make it possible to obtain from French armament materiel the maximum total effectiveness which, furthermore, are made possible by the mastery of techniques and the capacity of the users.

11267

CSO: 3519/335

COMPANIES NEGOTIATE FOR MCDONNELL DOUGLAS CONTRACTS

Madrid EL PAIS in Spanish 7 Feb 83 p 37

[Article by Carlos Yarnoz]

[Text] Madrid--Fifty Spanish cooperative societies connected with Peoples Labor Bureau (which has its headquarters in Mondragon, Guipuzcoa province) have in recent months begun with McDonnell Douglas engineers. These talks with the company that manufactures the F-18A aircraft are to study the possibility of signing agreements for cooperation in the manufacture of various industrial products or coordinated joint manufacture of these.

At the present time there are a total of 221 Spanish firms participating in this type of contract under conditions of the offset agreements made along with the possible purchase of 84 F-18A aircraft in the amount of 330 billion pesetas. For now, McDonnell has committed itself to those offset agreements connected with the FACA (Future Fighter and Attack Aircraft) program. These amount to 1.8 billion dollars at 1981 rates.

The cooperatives, all located in the Basque Country, have in most cases asked to export the products they manufacture, among them safety valves, centrifugal pumps, gardening equipment, injection-molding plastics, automobile accessories, industrial refrigerators, wood furniture, etc.

Among these cooperatives are Orkli, Ampo, Irizar, Ederfil, Arrasate, Kendu, Fagor, Guria, Maier, Zertan, Herriola and Urssa. The Peoples Labor Bureau, McDonnell sources have said, has a great interest in seeing that this offset arrangements program works out inasmuch as various participating firms, if they sign other similar contracts, may be able to overcome the crisis which presently assails them.

Other Beneficiaries

Insofar as non-cooperative enterprises is concerned, those which will be most benefited by such arrangements are CASA (Aeronautical Construction Corporation), which firm has already signed a preliminary contract with McDonnell amounting to 440 million dollars. Projects involving CASA included final assembly in Spain and coordinated joint manufacture of aircraft parts.

Similarly, conversations of the North American firm with CECSA (Electronics and Communications Corporation) are well advanced toward the possible signing of agreements amounting to 100 million dollars (still at 1981 exchange rates).

Other important firms which have initiated contact with McDonnell with the same thing in mind are as follows (these are listed below along with their respective chief objectives):

Agrar (transfer of North American technology),
Altos Hornos del Mediterraneo (transfer of technology),
Spanish Federation of Shoe Industries (export of shoes),
Promotion of Foreign Trade (participation in the McDonnell export program),
Motor Iberica (export of minibuses),
Union Electrica (transfer of technology),
Sener Engineering and Systems (transfer of technology and export of desalinization systems),
Victorio Luzuriaga (export of agricultural machinery),
Patricio Echeverria (tools),
Xey (kitchen furniture),
Secoinsa (export of computers),
Ashland Cement (export of cement), and
Empesarios Agrupados (export of energy generating plants).

Among firms that are connected with the military industry there are the following:

Alaveses Explosives (transfer of technology on rocket heads),
Tubacex Commercial (export of parts for pistols and rockets),
Llama-Gabilondo (transfer of technology), and
Rio Tinto Explosives (export of explosives for military use).

Among the 221 Spanish firms there are also the Urquijo Bank and the Banco Exterior. Both are cooperating with U.S. institutions in their respective investment programs.

9972

CSO: 3548/154

EXPORT SURVEY OF LOCALLY MADE MUNITIONS

Barcelona LA VANGUARDIA in Spanish 11 Feb 83 p 32

[Text] During 1981 sales of Spanish weapons abroad tripled compared to 1980. Thus, in the midst of the economic recession and while many firms were obliged to reduce their production, Spanish arms plants had three shifts working uninterruptedly.

Over 50,000 workers are employed in this industry which includes about 30 enterprises, not counting those which are subcontractors in the manufacture of pieces or component parts of some weapons or war materiel. The products manufactured and exported are of a very diversified nature and range from boats, aircraft, and military vehicles to guns, submachineguns, pistols, revolvers, and the appropriate ammunition and including ancillary equipment such as field kitchens, precision sights, mines, and telecommunications systems.

However, the overall situation of the arms industry, despite its notable realizations, is affected by the need to include the more advanced technologies, a fact which implies major investments in research or production under license, something which involves the payment of royalties and foreign dependence. In this respect, the head of the DGAM [General Directorate of Armament and Materiel), Gen Castro Sanmartin, asserted that "if we seek to have a reasonable defense, we need a weapons industry and if we desire that it not be too costly we must export. Furthermore, this industry, probably the one with the best prospects in the existing Spanish context, involves sizable employment for labor and considerable inflows of foreign exchange."

Within this context approval was given to what at this time is the most important export operation in Spain's history: The sale to Egypt of military vehicles and naval craft worth 107 billion pesetas.

For exports to be possible all the governments of the world demand that their clients issue a "certificate of final destination", a document which, theoretically, ensures that all the weapons in questions remain in the purchasing country and that under no circumstances are they reexported. Consequently, the arms trade is subject to control. So much for theory. Reality indicates that there is an arms traffic and that the "certificate of final destination" is not always respected. For example, arms of Spanish

manufacture have recently been discovered in the possession of Turkish guerrillas, according to a report which reached Madrid from Turkey. The weapons, most of them light arms, pistols and attack rifles, as well as the ammunition necessary for their use, had been sold to Bulgaria, a client country, which, in turn, in a way that is unknown, channeled them to the Turkish guerrillas. This fact underlay a complaint by the Turkish Government to the Spanish Government which, on its part, decided not to sell more weapons to Bulgaria. In this case it is obvious that the "certificate of final destination", which with all assurance guaranteed that the Spanish weapons would remain in Bulgaria, was not followed.

The Spanish manufacturers producing arms and military equipment can be categorized into three groups: Private firms; public enterprises falling under the jurisdiction of INIT [National Institute of Industry]; and military plants belonging to the Spanish armed forces proper.

The following firms are part of the private sector: Star Bonifacio Echevarria, which produces highly accurate pistols and submachineguns. Explosivos Riotinto, Explosivos Alaveses, and other ordnance plants which specialize in cartridges, gunpowder, detonators, and so on. Instalaza, S.A., which produces recoilless guns and their ammunition and rifle-fired grenades, among other items. Plasticas Oramil, which manufactures hand grenades. Barreiros Hermanos, the producers of projectiles for artillery. Motor Iberica y Aeronautica Industrial, S.A., which builds medium-weight transport vehicles and aircraft. Chrysler, which modernizes the old M-47 combat tanks and converts them into M-60's. It also produces trailers for the transportation of tanks and artillery and all-terrain vehicles. Then there is Land Rover Santana, which manufactures vehicles; Marconi Espanola, which turns out communications and detection systems; and Esperanza y Cia. Senar, Llama, Astra, and Placencia de las Armas complete this category.

INIT includes the Empresa Nacional Bazan with shipyards in Cartagena, Cadiz, and El Ferrol; CASA [Aeronautical Construction Company, Inc.], the manufacturer of C-212, C-101, and CN-235 aircraft; CETME [Technical and Special Equipment Studies Company], which produces light arms, ammunition, equipment for tank turrets, and armaments for vehicles, electronic arms systems, gunpowder, explosives, and provides prototype research; the Empresa Nacional Santa Barbara de Industrias Militares, S.A., with plants in Seville, Oviedo, Toledo, Palencia, and Granada. Then there is the AMX-30 battle tank plant which also turns out guns, heavy and light weapons, and ammunition.

The military establishment believes that while the two most powerful states in the world are proceeding with their arms policy, "we have no alternative but to join the game. And this occurs through exports."

Exported Arms and Ammunition

<u>Year</u>	<u>Tons</u>	<u>Millions of pesetas</u>
1980	3,484	8,957
1981	5,404	9,284
1982*	8,336	9,324

* The figures relating to 1982 include the period from January to October 1982, inclusive.

Spain's Leading Clients for War Materiel

Revolvers and pistols: United States, Bulgaria, South Africa, Chile

Other light arms: France, Federal Republic of Germany, Switzerland

Ammunition: Jordan, Lebanon, France, Argentina, Nigeria, Kenya, Chile

In 1980 Libya order from Spain ammunition worth 625 million pesetas weighing 435 tons.

2662

CSO: 3548/186

BARCELONA TRANSIT PORT FOR MILITARY MATERIEL

Barcelona LA VANGUARDIA in Spanish 11 Feb 83 p 31

[Article by Jordi Bordas and E. Martin de Pozuelo]

[Text] A patrol car belonging to the Port Control Authority and a gray SEAT [Spanish Automobile Company] car model 1500--the nature of this vehicle leads one to believe that a police automobile is involved--are parked close to trucks, more than six of them, carrying ammunition. The cargo can clearly be made out. The canvas that covered the trailers has been removed and in a few minutes the cargo will be loaded on board the "Magrag Signe", a small vessel flying the Danish flag (most of these shipments are being effected in boats of similar characteristics), which will sail for its destination within a few hours. Generally, their stay in the port of Barcelona is minimal--at most, 24 hours.

"Charge propelling. 155 mm M-4 A-1 For How." Behind these mysterious notations lurks the truth: In this instance--on 29 January 1983--what is involved is a shipment of ammunition to who knows where. They are artillery projectiles. A few days earlier, another vessel had loaded a cargo of military materiel for the United States. Other destinations are Aqaba in the Persian Gulf [as published]; Egypt; Jordan; and South America. During the second half of 1982 the port of Barcelona witnessed increased activity, more than during the first half and that of earlier years.

This legal traffic is very well known among port circles, a fact which has given rise to the appearance of a "slang" understandable by "experts" in maritime matters. Thus, the words "detergent" and "crates" are used to denote the materiel in the container and the container itself. "Violins" and "trumpets" refer to machineguns and rifles, and so on.

In Barcelona most of these operations take place on the southern No. 1 pier, located between the silos and the warehouses of CAMPSA [Leasing Company of the Petroleum Monopoly, Inc.]. The large esplanade where this dock region is located makes it possible to have a clear view of the place and to check the comings and goings of people. It is necessary to keep away unknown individuals and avoid embarrassing situations. The presence of these boats in port is not always publicized. Newspapers such as EL VIGIA and MARITIMAS, supposed to report the activity of the port, have been unable to gain access to these vessels. Information is withheld or simply it is not divulged.

Nevertheless, this legal traffic in arms, ammunition, and materiel is under the complete control of organizations responsible for it. On one occasion an attache case was stolen from an individual while he was eating in a wellknown restaurant located close to the port of Barcelona. Inside the attache case was a supersecret diary which contained a complete list of telephone numbers and addresses of senior civilian and military officials involved in this trade in military materiel. The individual in question called Madrid, reported the disappearance of the attache case--stolen from inside a privately owned automobile--at 1640 hours in the afternoon. Some two and a half hours later, a policeman appeared at the hotel carrying the attache case. The sweep undertaken by the top echelon of the police was more than spectacular. The short time that elapsed between the report of the theft and the return of the mysterious attache case provides an idea of the effort deployed by the police and the importance which the supersecret agency enjoyed.

According to official data of the Ministry of Commerce for 1980 and known to LA VANGUARDIA, the port of Barcelona saw the loading of 17 tons of revolvers and pistols, a figure that is almost insignificant when compared with the 812 tons of ammunition (cartridges, projectiles, bullets) which were loaded that same year. These data reflect what our port is used for to a large extent: The shipment of ammunition and military vehicles. It is not in vain that ENASA [National Trucking Corporation], the manufacturer of Pegaso trucks, has a plant located a few meters from the port area and with direct access to the latter.

While the number of vessels calling at the port of Barcelona dropped slightly and while port employment was cut significantly, freight traffic increased in 1982 by some 1.7 percent compared to 1981. The official statistics released by the Autonomous Port of Barcelona indicate that the general cargo handled during 1982 rose by 7.1 percent; bulk cargo rose by 6.3 percent even though liquid bulk cargo other than oil products and hydrocarbons dropped by 14.5 and 6.5 percent, respectively. In the last analysis merchandise loaded or unloaded last year increased from 17,730,508 kg in 1981 to 18,030,539 kg in 1982.

Despite what one may believe, however, Barcelona is not the major distribution center for military materiel. Official statistics also disclose that Bilbao--through its port, airport, railroad, and TIR trucks--Irun, Valencia, Cadiz, La Seud'Urgell, and Jonquera also stand out in this connection. Suspicions are inevitably aroused when, as has happened on various occasions in the port of Barcelona, a ship, weighing anchor and "officially" transporting general cargo, is discovered in reality to have loaded several tons of explosive, war, or military materiel.

Publicly Acknowledged Shipments of Military Materiel

<u>Date</u>	<u>Vessel</u>	<u>Flag</u>	<u>Quantity Loaded in Metric tons</u>	<u>Cargo</u>	<u>Destination</u>	<u>Consignee</u>
1/04/82	Rivainfanzon	Spanish	105	Military trucks	Alexandria	Suardiaz
1/15/82	Rivainfanzon	Spanish	117	Military trucks	Alexandria	Suardiaz
1/19/82	Argonaut	U.S.A.	4	Military cargo	New York	Spanish Maritime Union [UME]
1/27/82	Rivainfanzon	Spanish	104	Military cargo	Alexandria	Suardiaz
2/02/82	Jalapa*	Mexican	-	7 amphibious vehicles	Veracruz	Suardiaz
2/08/82	Export Freedom	U.S.A.	7.4	Military cargo	Norfolk	UME
2/09/82	Rivainfanzon	Spanish	109	Military trucks	Alexandria	Suardiaz
2/22/82	Resolute	U.S.A.	9	Military cargo	New York	UME
3/05/82	Fauna	Greek	40	Military materiel	Tripoli	Berge y Cia
3/20/82	Rivainfanzon	Spanish	121	Military trucks	Alexandria	Suardiaz
4/01/82	Sarah James	British	177	Aircraft bombs	Aqaba	Berge y Cia
4/15/82	Rivainfanzon	Spanish	131	Military trucks	Alexandria	Suardiaz
4/20/82	Salem	?	115	Military trucks	Alexandria	Suardiaz
6/09/82	Nicotto	Danish	677	Military materiel	Qadimah	Cargomaster
6/09/82	Roline	Spanish	116	Military trucks	Alexandria	Suardiaz
6/14/82	Roline	Spanish	116	Military trucks	Alexandria	Suardiaz
6/14/82	Export Freedom	U.S.A.	13	Military cargo	New York	UME
6/18/82	Danica Green	Danish	72	Military materiel	Qadimah	Cargomaster
6/28/82	Export Patriot	U.S.A.	16	Military cargo	New York	UME
7/10/82	Rosell	Danish	672	Military materiel	Aqaba	Cargomaster
7/30/82	Maroka	?	1.194	Cartridges	Peraeus	?
8/30/82	Fast Thee	?	1.5	Carbines	Port Said	?
9/17/82	Jytte Daina	Danish	534	Arms & explosives	Qadimah	Cargomaster
10/08/82	Danica Green	Danish	600	Military materiel	?	Cargomaster
11/19/82	Monet	?	2.4	Pistols	Karachi	?
12/09/82	Export Patriot	U.S.A.	22	Military cargo	New York	UME
12/12/82	Dana America**	?	3	Military vehicles	Cristobal	?
12/17/82	Catalina del Mar	?	580	Explosives	?	Contenemar
1/28/83	Platessa	Danish	332	Explosives	?	Cargomaster
2/01/83	Magrag Signe	Danish	?	Ammunition	?	?
2/10/83	Renate II	Panamania	?	Ammunition	?	?

* The shipment loaded on the vessel "Jalapa" was ordered by the Naval Directorate of the Mexican Government.

** The National Guard of Panama ordered the shipment loaded on the "Dana America."

2662

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INSTITUTE RESEARCHERS: NORWAY SHOULD MAKE SEA-BOTTOM PLAN

Oslo DAGBLADET in Norwegian 15 Feb 83 p 6

[Article by Einar Hagvaag: "Norway Must Invest in the Sea-Bottom"]

[Text] "Mining operations on the sea-bottom will in the future be a large and important source of wealth and affluence. This new industry is an opportunity which crisis Norway must not let go. Mining operations on the sea-bottom can mean new jobs for Norway. Here we would be on virgin soil. For once Norway has the possibility of getting in on it from the start. Norway requires a national plan of action which defines what we want in this area. Other countries are already starting. The political authorities must tie together the state, industry and research in a unified action so we will not be lagging behind.

It was institute leader Willy Ostreng and scientist Jan Magne Markussen of the Fridtjof Nansen Foundation at Polhogda who said these words to DAGBLADET. They are convinced that Norway has great possibilities of participating in the exploitation of these resources.

"It is clear that Norwegian firms have much to gain here. The new industry, in the first place, could mean something for Norwegian consultant firms, for sales of electronics and supplies by ship. It can be an important national economic factor. But it depends on Norwegian industry recognizing its opportunity."

Virgin Soil

The oceans of the world make up 70 percent of the surface, and they hide great wealth, but the utilization of these resources has hardly begun. Especially interesting are the great deposits of valuable metals such as nickel, cobalt, copper and manganese which can be the basis for mining operations on the sea-bottom from the end of this decade. "That is virgin soil. Norway has therefore for once the possibility of being in on the start," the two emphasized.

"But can little Norway take part in this race in which such great investments and such advanced technology are needed?"

"Offshore technology formed the foundation for the technology which will bring manganese lumps up from the sea-bottom. We participate in deep water drilling, and much of the technology is the same as for mining operations on the sea-bottom. Technology is largely a matter of intelligence and a good research environment. Norway can be a supplier of products and services," said Ostreng. "These resources must of course also be transported. Who has the capability of doing that? Norway! Just take a trip over to Drobak, where there are inactive ships tied up side by side."

Think Boldly

"It is a question of thinking boldly, and of thinking beyond the ordinary limits. It is nothing new that the future is uncertain, we must learn once more about the shipping business," said the two.

"What kind of results can the new industry have for Norway?"

"Mining operations on the sea-bottom can only mean one thing: new jobs. This is a new niche for Norway with great possibilities. It can be an important, positive factor which can contribute to getting our country out of the crisis," said Ostreng and Markussen.

The foundation at Polhogda will now establish a secretariat for mining activity on the sea-bottom with the Norwegian Shipping Research Institute at Trondheim. This way they will get the NTH [Norwegian Technical Institute] environment on the technology side, while the Polhogda contingent can continue with political, legal and economic planning and research.

9287

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INTERNATIONAL LAW OF SEA CONFERENCE MEETS IN OSLO IN JULY

Oslo DAGBLADET in Norwegian 15 Feb 83 p 6

[Text] This summer a large law-of-the-sea conference will be launched in Oslo. There all of the central actors from the UN law-of-the-sea treaty, among them Jens Evense, will meet the foremost international scientists in this area. The point of the conference is to look at the results of the UN work now that there has been a one-year pause for reflection.

The conference will be held 13-16 July and is arranged by the Fridtjof Nansen Foundation at Polhogda, and the Sea Law Institute of the University of Hawaii. The conference has room for 300 participants, and at Polhogda the entire institute has been engaged in work on the conference for one and one-half years.

In parallel with this conference there will be a seminar for the offshore industries which will discuss the possibilities of mining operations on the sea-bottom.

In the future this can be a very important market for Norwegian shipping and industry.

9287

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POLAR INSTITUTE DIRECTOR DISCUSSES SVALBARD RESEARCH PLANS

Oslo AFTENPOSTEN in Norwegian 21 Feb 83 p 21

[Article by Liv Hegna]

[Text] At this time the Norwegian Polar Institute is putting the finishing touches on plans for an expedition to Nord-Austlandet, Svalbard. A joint project with the British will be carried out. The ice mass will be measured and bottom as well as surface conditions will be noted. "We now have the technical capability to map the thickness and inner structure of the ice, something that may produce some surprises," the institute's director, Tore Gjelsvik, told AFTENPOSTEN.

Gjelsvik said that when such measurements were made in the area around the South Pole, "lakes" were noted beneath the ice. Some years ago, deposits of radioactive waste were detected in the ice in that region. Some scientists had calculated that the radioactive material would not reach the ocean before the radioactivity had declined to a safe level. The discovery of lakes beneath the ice removed the basis for these calculations and showed how dangerous it is to meddle with natural surroundings about which we know too little.

Since 1979 the Norwegian Polar Institute has come under the Environmental Affairs Ministry instead of the Industrial Affairs Ministry, to which it had previously been assigned. The move was a natural one, according to Gjelsvik. "There are so many environmental matters that are closely linked to our area of expertise," he said.

But is it not true that the work performed by the Norwegian Polar Institute is of importance to many other ministries as well?

"That is correct. We work with resource matters and other tasks of importance to the administration of polar regions. We are in close contact with the Justice Ministry, the Industrial Affairs Ministry and the Foreign Ministry, in particular."

Tore Gjelsvik confirmed that he would like to get more help from the military, especially in the transport sector. "But due to Svalbard's special military policy position, that is a problem. However we have had some help from the Orion planes in placing ice buoys in the Arctic Ocean and rescue helicopters have provided good assistance in our polar bear research in the course of their training flights over Svalbard."

Is any secret research being carried out?

"No, all the data and information gathered by the Norwegian Polar Institute is accessible, through publication, among other things. Unfortunately that is not the case with all Arctic research. For instance, one gets very little information from the Soviet stations that are still located on drift ice in the central Arctic Ocean."

The Norwegian Polar Institute has built up a broad technical competence in the area of polar matters. The institute also has a strong international reputation.

How is polar research organized in other countries?

"None of the other countries that border on the Arctic region have developed anything comparable with the exception of the Soviet Union, which has several thousand men working at various institutes that concentrate on polar regions. The Arctic and Antarctic Research Institute in Leningrad is the central polar institute, but its main efforts are concentrated on climate studies and ice conditions with the aim of extending the shipping season in the 'northern sea route' which the Russians call the Northeast Passage. The lack of polar institutions in the other western Arctic nations makes it hard to set up multinational research projects in the Arctic.

"In the Antarctic, however, conditions are different. Several countries, including Great Britain, West Germany and Japan, have well-developed polar institutes that cover a broad range of technical areas. And in other countries that conduct research in this region there are national organizations responsible for expeditions. This has led to well-organized co-operation," said director Gjelsvik.

The Storting report on environmental protection, mapping and research in polar regions advocated turning ocean mapping over to the Norwegian Hydrographic Department (although the Polar Institute would still be in charge of land mapping in polar regions). Is that a disappointment for the institute?

"Technically, I have no doubt that the Hydrographic Department can handle this. But with the urgent work it still has to do along the coast and on the banks out to the 200-mile boundary, I am afraid it might be difficult to give any priority to the polar regions."

The director also said he was glad that the Storting report stated that the Norwegian Polar Institute should send regular expeditions to the Antarctic approximately every 3 years. The government has announced that the first expedition will set off in the southern summer season of 1984-85. The budget for this must be submitted within the next few months. There is good time in which to plan the technical program and the expedition route, since the scientists will not be leaving until around Christmas 1984, according to director Gjelsvik.

6578

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OVERVIEW OF NATIONAL POLAR RESEARCH ACTIVITY PRESENTED

Oslo AFTENPOSTEN in Norwegian 24 Feb 83 p 8

[Article by A. Brekke and A. Egeland]

[Text] The results of observations of the northern lights at Kautokeino in 1882-1983 [as published] were discussed and commented on by the man who initiated the station, Danish schoolteacher Sophus Tromholt, in the book, "Beneath the Rays of the Northern Lights," published in 1885. The book has been translated into several languages.

Tromholt inherited his interest in natural science from his father, who had published a few small articles on the northern lights. After the active northern lights years around 1870, Tromholt's interest in this magnificent phenomenon took a serious turn. To acquire more experience and information on the northern lights, he moved to Norway in 1875. He obtained a teaching position in Bergen, but used all his energy and free time to gather a large body of material on the northern lights.

Starting in 1882, Tromholt received grants from both Denmark and Norway, enabling him to quit his teaching job and use all his efforts on northern lights research. He decided to take part in the First International Polar Year with a northern lights station in Kautokeino (see picture [not included]) to supplement the station at Bossekop. This was made possible by money from Carlsberg Brewery and from the Danish nation.

Along with the observations at Kautokeino, Tromholt organized a network of field stations for visual observations. During his entire 15-year stay in Norway, he received regular observations and descriptions of the northern lights from more than 100 Scandinavian stations and scattered reports on the phenomenon from over 2,000 people in the Nordic region.

Around 1885, it was suggested that the appearance of northern lights varied in line with the periodic variations in sunspot activity. Tromholt was especially interested in northern lights displays in relation to the 11-year sunspot period. In his day there was enough statistical material for the first time to make it possible to draw reliable conclusions about this matter and Tromholt's results on the periodic variations of northern

lights showed clearly that the displays were more frequent in periods with a high level of sunspot activity. It was later determined that northern lights displays are usually most frequent in our latitudes a few years after the maximum sunspot activity.

Tromholt also made a thorough study of northern lights occurrences in relation to variations in the earth's magnetic field. He found that both the frequency and the intensity of the lights were greatest when there was the most intense disturbance in the magnetic field. Tromholt also discussed how the geographical distribution of the northern lights varied with disturbances on the sun and in the earth's magnetic field, based on his observations. He thought that the northern lights displays were distributed in a circular zone around the pole and that this circle varied in size and position according to the activity on the sun. This concept was not generally accepted until after satellites came into use, so here Tromholt was far ahead of his time. Tromholt had made an agreement with Steen--the leader of the Bossekop station--on an observation routine so that if possible the same northern lights display could be observed from the two spots simultaneously. If this could be done, the aim was to calculate the altitude of the northern lights based on simultaneous angle measurements of the same aurora borealist occurrence. In his book, Tromholt reported 18 altitude measurements with values from 16 to 163 kilometers, with an average altitude of 113 km.

The altitude of the northern lights was the subject of much discussion at the end of the last century and before then everything from shoulder height to thousands of kilometers above the ground had been reported. Tromholt's measurements, which were the result of an excellently conducted experiment, represented an important contribution to this debate, but they did not stop it. It was not until our own century, on the basis of Professor Stormer's work, that the altitude of northern lights was set at around 110 km, in other words quite in line with Tromholt's measurements.

Tromholt was one of the first people to refer to the effect of the northern lights on telegraphic connections. He writes on page 294 of his book: "But when there is a great northern lights activity, there is an unusual amount of disturbance on the telegraph lines, since an electric current occurs in them that counteracts and often totally interrupts the currents with the help of which telegrams are sent from station to station. At times, telegraphy in the entire country can be interrupted for this reason for various lengths of time, unless the interfering current itself is used to carry the dispatches, which has been done occasionally." Note that Tromholt pointed out back then that the induced current in the telegraph wires could be so intense that messages could be sent when the batteries were not hooked up. Tromholt also studied weather signs in the northern lights. It has been a common idea down through the ages that the northern lights influence the weather and the best source of this can be found in the many weather signs in folklore literature. He himself wrote: "I am far from denying that there may be a connection between the

northern lights and weather conditions, on the contrary I regard this as probable, but this connection is not so obvious that it can be demonstrated by a few years of experience and so far this assertion has not been the subject of any really scientific study. However we can assume that certain weather conditions are probably more favorable than others for the formation of a northern lights display and it may also be that certain types of northern lights can have some influence on or at least have a connection with future weather conditions."

As we see, Tromholt is somewhat cautious on this point and he does not take a definite standpoint. What can be said about the matter today, however, is that there is no connection between local weather conditions and the northern lights other than the fact that clear weather is needed to see the phenomenon with the naked eye, but the northern lights can occur in all types of weather. This, of course, is due to the fact that the northern lights are far above the weather zone.

Things may be somewhat different when it comes to global weather conditions and the northern lights, since there are indications that strong aurora borealis disturbances can have a favorable influence on the formation of low-pressure systems. If that is true, northern lights disturbances do have some influence on the weather.

Tromholt also gathered a large body of material on the sound of the northern lights. He sent letters to most of the officials in the Nordic countries, asking if they had "heard the northern lights." The sound of the northern lights was a controversial issue 100 years ago. Tromholt referred to this phenomenon very cautiously, but he felt that the many reports on the sound of the northern lights from experienced and reliable observers could not be dismissed as erroneous. The opinion of modern scientists about the sound of the northern lights is that sound waves cannot be conveyed from the northern lights down to the ground. But it is conceivable that such strong electrical fields can exist during violent displays of the northern lights that discharges can occur on the ground, for example in snow crystals. Such discharges could result in a crackling sound. Those who have heard the "sound of the northern lights" often describe it as a crackling noise.

A more probable explanation might be that in extensive northern lights displays when large areas of light are moving rapidly, there is also a "transfer" to the auditory nerves, causing the sensation to be experienced as a sound. Strong impressions in one part of the sensory system can often cause effects in others, due to a transfer in the brain.

Tromholt's initiative and enthusiasm were of enormous importance for the Norwegian contribution to the Polar Year and his results are internationally known, primarily through the book, "Beneath the Rays of the Northern Lights," but also through a number of articles in technical journals. Tromholt's book also gives a very lively description of his journey to

Finnmark and his stay there. Especially picturesque is his account of a journey to the Finnish polar station at Sodenkyla which he visited in the spring of 1883. This trip was filled with the most incredible hardships and trials, but his account of his companions on the journey is just on the verge of what is considered good taste today. The book is well worth reading even now.

There is little doubt that the most important Norwegian results from the Polar Year came in the area of northern lights research and the results became known primarily through Tromholt's work. Tromholt's northern lights results have possibly received greater attention than anything else that came out of the First International Polar Year, perhaps because he presented them in a form that was entertaining and easy to read.

Tromholt was certainly a person who loved life. At least he wrote: "Life anywhere in the world has more bright sides than dark ones and one would have nothing against living as long as Methuselah." It is sad to note that he lived to be only 45. During the last 10 years of his life he went on several extensive lecture tours both in Europe and in America. Few people have given as many popular lectures on the northern lights as Tromholt, but his impressive contribution has often been overlooked in more recent Norwegian and international articles on the history of northern lights research.

6578

CSO: 3639/74

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